

**A Study of Best HR Practices and their Impact on
Employee Satisfaction with special reference to Select
Large Scale Companies in Pimpri - Chinchwad
during 2007-2012**

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In Management Subject

Under the Board of Management Studies,

Submitted by

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Research Guide

May 2016

CERTIFICATE

This is to certify that the thesis entitled “**A study of best HR practices and their impact on employee satisfaction with special reference to select large scale companies in Pimpri Chinchwad during 2007-2012**” which is being submitted herewith for the award of the Degree of Vidyavachaspati, Ph. D. in Management Faculty of Tilak Maharashtra Vidyapeeth, Pune is the result of original research work completed by **Shri Ashok Sukdeo Nanaware** under my supervision and guidance. To the best of my knowledge and belief the work incorporated in this thesis has not formed the basis for the award of any degree or similar title of this or any other university or examining body upon him.

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Date: ____ May 2016

DECLARATION

I hereby declare that the thesis **entitled “A study of best HR practices and their impact on employee satisfaction with special reference to select large scale companies in Pimpri Chinchwad during 2007-2012”** completed and written by me has not previously formed the basis for the award of any degree or other similar title upon me of this or any other Vidyapeeth or examining body.

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Date: ____ May 2016

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Place : Pune
Date: ___ May 2016

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LIST OF ABBREVIATIONS USED

Abbreviation	Full form
BPO	Business Process Outsourcing
BT	British Telecom
CA	Chartered Accountant
CEO	Chief Executive Officer
CII	Confederation of Indian Industries
CRM	Customer Relationship Manager
CSR	Corporate Social Responsibility
FDI	Foreign Direct Investment
FERA	Foreign Exchange Regulation Act
FMLA	Family and Medical Leave Act
GSD	Gross Domestic Product
HR	Human Resources
HRD	Human Resources Department
HRM	Human Resources Management
IC&T	Information, Communication Technology
KOEL	Kiroloskar Oil Engines Ltd.
LSI	Large Scale Industry
MIDC	Maharashtra Industries Development Corporation
MNC	Multi National Corporation
MRTTP	Monopoly & Restrictive Trade Practices
MSME	Micro Small Medium Enterprises
OCB	Organizational Citizenship Behaviour
OHSAS	Occupational Health and Safety Management System Specification
PAS	Performance Appraisal System
PCMM	People Capability Management Model
PSU	Public Sector Undertakings
SIC	Standard Industrial Classification
SMES	Small , Medium scale Enterprises
SSI	Small Scale Industry
TPA	Third Party Administrator
U.S.A.	United States of America
UK	United Kingdom
WTO	World Trade Organization

ABSTRACT

Introduction

The manufacturing sector of the Indian economy is a vital sector for the economic growth of the country. Particularly in the post globalization era India has become a focal point for the manufacturing activity and many multinational manufacturing units are attracted to India to establish their manufacturing units in India. E.g. numbers of automobile companies, mobile manufacturing companies have established their units in and around Pune.

Activity which converts raw material into finished product or process the raw material or preserve the raw material for ultimate consumption with the use of machinery is called an industrial unit. Thus the production of finished goods through conversion of raw material is an industrial activity. E.g. Production of cars is a manufacturing industry, dyeing and bleaching activity is a processing industry, while preparation of pickles is a preservation industry.

Industries are classified using different criteria. According to one criteria industries are classified as i) primary industry ii) Genetic industries iii) extractive industries. Industries are also defined on the basis of their activity criteria as i) Manufacturing industry ii) Processing industry and iii) Service industry.

After the independence, for the first time in 1948 there was first industrial policy which gave direction to the industrial growth. Since 1951 India has embarked upon the Five Years Plan as a strategy for development. In the second plan the thrust of the govt. was to develop domestic raw materials instead of reliance on the foreign powers. The government of India provided special incentives for production of machineries and the raw agents dealt in various parts of instrumentation.

Subsequent to this at periodical interval the industrial policies were announced. In 1956 the first detailed industrial policy resolution was announced. Since then in 1977, 1980, 1991, 1997 revised policies were announced wherein the thrust on the industrial growth was highlighted. The definitions of small and cottage industry, tiny industry, ancillary industry, small and medium enterprises, large scale industries were given and the various sops were also provided in these policies. The present one is the policy on SMEs which has been introduced in 2006.

The banking industry has been asked to accord priority in the matter of allocation of credit to SME sector as it is contributing to the India's economy as well as generating employment opportunities on a large scale.

For the purpose of this research the industries are classified using the investment in plant and machinery criteria. More particularly as defined in the Micro Small and Medium Enterprises Development Act, 2006.

The Micro, Small & Medium Enterprises Development Act, 2006 has provided definitions of MSM Enterprises as follows:

Investment in plant and machinery/requirement (excluding land and building)		
	Manufacturing Enterprises	Services Enterprises
Micro	Up to Rs.25 lakh	Up to Rs.10 lakh
Small	More than Rs.25 lakh and up to Rs.5 crore	More than Rs.10 lakh and up to Rs. 2 crore
Medium	More than Rs. 5 crore and upto Rs.10 crore	More than Rs. 2 crore and up to Rs. 5 crore.

Source: Micro Small and Medium Enterprises Development Act, 2006.

Large Scale Industries (LSIs) are those industries with investment more than Medium Manufacturing Enterprises, under MSME Act 2006 and as shown in the above table. It is because of this rationale the researcher has also followed this definition of the large scale industries for the purpose of identifying the large scale industries for this study.

Industries which require huge infrastructure, man power and large capital assets are classified as large scale industries. There are number of types of large scale industries. E.g. iron and steel industry, textile industry, pharmaceutical industry, automobile industry, telecom industry etc. Of late, Information Technology industry which brings lot of foreign exchange to the nation is also called large scale industry because the number of employees is large and the revenues are also voluminous. These large scale industries are contributing major share to the Indian economy.

Contribution of SMEs: Employing close to 40% of India's workforce and contributing 45% to India's manufacturing output, SMEs play a critical role in generating millions of jobs, especially at the low-skill level. The country's 1.3 million SMEs account for 40% of India's total exports.

Human Resources Development Department: Human Resources Development is considered as a sub discipline of Human Resource Management (HRM) in Business Administration. HRM scholars, Werner and DeSimone (2006 p.5) defined Human Resource Development (HRD) as: "A set of systematic and planned activities designed by an organization to provide its members with the opportunities to learn necessary skills to meet current and future job demands". Haslinda-a (2009) expressed referring many studies that numerous attempts to define human resource development (HRD) by academics, researchers and practitioners have led to confusion in the literature, illustrating the elusive nature of this concept.

"HRD is the process of increasing the knowledge, the skills, and the capacities of all the people, in a society. In economic terms, it could be described as the accumulation of human capital and its effective investment in the development of an economy. In political terms, HRD prepares people for adult participation in the political process, particularly as citizens in a democracy. From the social and cultural points of view, the development of human resources helps to people lead fuller and richer lives, less bound to tradition. In short, the processes of HRD unlock the door to modernization".

Evolution of concept of Human Resources Management in India

In India, the post independence period witnessed number of changes in the personnel management approach of the organizations. After independence India adopted mixed economy growth model. The industries were broadly classified as Private Sector and Public Sector. The public sector organizations were huge organizations where heavy capital was required and it employed large number of employees. The Indian Constitution provides several protections to the working class.

When the industrialization process was on, simultaneously the trade union movement was also growing rapidly to protect the workers interest. The workers were made aware of their rights and it was getting difficult to exploit this class. During the period 1970 to 1980 the HRM department was handling the following functions:

- (1) Personnel and administration,
- (2) Industrial Relations, and
- (3) Labor welfare. The prescribed and assumed role was crisis driven or issue driven. (Chaterjee, 2006).

During this period there was rise of managerial unionism, the white collar workers without formal union rights formed their association that acted as pressure groups to get the benefits. At the same time the managements also formed their industry wise association to protect their interests. The industries also started adopting tools and techniques that could help improve the efficiency and productivity. This led to defining the work output, staffing pattern and productivity linked incentive schemes.

Today, the HRD in India is not in infant stage but at the same time it cannot be said to be in its adulthood. It was in 1975 the first HRD department was established in Larsen & Turbo. This was followed by the State Bank of India – the largest bank network in India having large employee base in which case they established integrated HRD system approach. In 1979 the first workshop on HRD was conducted by IIM Ahmedabad by Dr. T.V. Rao , where the draft of the book Designing and managing Human Resource System was presented and tested. After that a large number of companies started showing interest in having HRD departments.

Over the years the concept of HRD has gone through various stages of transformation. In the mid seventy's the HRD started using motivational tool to build the competence. By 1980 these motivational needs were fulfilled to a large extent. Today in the globalized world the concept of HR for business and its role is very well understood by the organizations.

“HRD is the integrated use of training and development, career development and organizational development to improve individual and organizational effectiveness” (McLagan).

“HRD is organized learning activities arranged within an organization to improve performance and personal growth for the purpose of improving the job, the individual, and the organization” (Gilley and England).

“HRD is the process of determining the optimum methods of developing and improving the human resources of an organization and the systematic improvement of

the performance of employees through training, education and development and leadership for the mutual attainment of organizational and personal goals” (Smith)

Importance of HR: In any organization the human resource occupies prime importance. Therefore, the Human Resources Development department is the most important department. This department takes care of hiring people and maintaining benefits to the organization and takes care of company’s all important assets.

Human Resources Dept. assumes importance for several reasons. Employees have a feeling that there should be someone in the organization to take care of their benefits and at the same time they should have faith that the department will stand by them in securing just compensation. HRD also takes care of the organization to ensure that the human resources put in all their strength to improve their productivity and profitability. Thus human resources results in a win-win situation for everyone involved.

Importance of Human Resource Planning: Human Resource Planning is important for any organization in the following ways;

- ❖ Provides quality workforce,
- ❖ Reduces labor costs,
- ❖ Facilitates rise in skills,
- ❖ Effective motivation,
- ❖ Safety of health,

Impact of globalization on HR practices: After 1991 when the Indian government adopted the policy of globalization, liberalization and privatization, it paved the way for induction of multinational companies in India. These multinational companies have now stabilized their operations in India. Along with the advanced technology these overseas companies brought with them newer and newer ideas for handling Human Resources Functions. Now the HR function has received a global dimension. With the multinational companies making inroad in India naturally there are employees from different countries. These different countries have numerous HR practices depending upon the circumstances prevailing therein. Therefore, the Human Resources department is now required to equip itself with the various styles of functioning, methods of compensation, motivational tools used, fringe benefits offered to the employees and above all these changes should be adopted to suite their own company’s benefit and palatable to the management of the company. Thus from this point of view the HR department has to play a complex role.

It is on this back drop the concept of **Best HR Practices**, has crept in. The dictionary meaning of best practice is the recognized methods of correctly running businesses or providing services. “Best practice is a method or technique that has constantly shown good results with other means and that is used as a benchmark”.¹

“A practice which is most appropriate under the circumstances, especially as considered acceptable or regulated in business; a technique or methodology that, through experience and research, has reliably led to a desired or optimum result”.²

¹ <http://www.businessdictionary.com/definition/best-practice.html#ixzz30Mb0fLWT>

² Collins English Dictionary –unabridged edition 2009

Functions of HR: The direct handling of people has always been an integral part of every line manager's duties. The line supervisors' responsibilities for effective human resource management under these general headings:

1. Placing the right person on the right job.
2. Starting new employees in the organization (orientation).
3. Training employees for jobs that are new to them.
4. Improving the job performance of each person.
5. Gaining cooperation and developing smooth working relationships.
6. Interpreting the company's policies and procedures.
7. Controlling labour costs.
8. Developing the abilities of each person.
9. Creating and maintaining department morale.
10. Protecting employees' health and physical condition

Definitions of Best HR Practices:³ : A set of guidelines, ethics or ideas that represent the most efficient or prudent course of action. Best practices are often set forth by an authority, such as a governing body or management, depending on the circumstances. While best practices generally dictate the recommended course of action, some situations require that such practices be followed.

Any practice devised to increase the competence, commitment and improve the culture building can be termed as Best HR Practice and this can be in the form of a norm, rule, system, or some practices.⁴

Following are the few examples of the best HR practices:

- ❖ HR Executive greeting / wishing the employee on his/her birth day or marriage anniversary day.
- ❖ Provision for health care / regular medical checkup, reimbursement of the hospitalization expenses including those for the family members.
- ❖ Providing babysitting facility.
- ❖ Provision for granting special allowance if the employee attends office on his/her birth day.
- ❖ Updating the employees of the organization about the organization's policies and latest policy decisions, performance through an internal house bulletin. (Ensuring transparency).
- ❖ Highlighting the achievements of the employee and his family members through the house bulletins.
- ❖ Job rotation to remove the monotonous feeling.

Best HR Practices are dynamic and subjective. The best HR practices differ from company to company. What is best for one company may not be so for the other company. Therefore, each company's HR department should identify from its manpower folio as to what will be perceived by the human force at their disposal to be the best practice

³ http://www.investopedia.com/terms/b/best_practices.asp

⁴ <http://www.talentnet.vn/information-center/hr-articles/best-hr-practices>

The Importance of Human Resources Management in Modern Organizations

The success of any organization does not depend solely on market realities and sustainable competitive advantage. The success also lies on the utilization of the human capital which is an important asset of the organization. The statistical presentation demonstrates the success of any organization in quantitative terms. But the success is also dependent on the qualitative aspects of the human resources management. If those are used positively and skillfully, success is there, but if there are any lapses in handling these human relations no one can stop the failure.

The management of the human force of the organization strategically is the Human Resource Management. The employees individually and collectively contribute to the success of the organization. Each individual has his own goal and dovetailing of the said goal smoothly with that of the organization is the job attended to by the Human Resources Management Department. The objective of the HRM department is to enlist the commitment of the employees for achievement of the organization's goals.

The function of the HRD is to attract, retain, and develop Human resources through training input so as to achieve the corporate goals. The HRD dept. provides a link between the employees and the management. For this purpose the HRD dept. should assess the needs of its employees and find out how best these needs can be fulfilled within the overall framework of the organization. The HR Dept. should ensure that the employees get wholly involved in the organization of their own. For this oneness the HR should create an atmosphere that the employees develop this attitude. Various motivational tools are required to be used to have sustainable retention of their interest.

In today's modern organizations the HR functions are not attended to in isolation but in coordination with the General Management. It is not an individual's decision but the decision is the outcome of the strategic consensus.

Best HR Practices and its impact on the organization: Needless to say that for any organization achieving the Corporate Goal and the market share targets is the prime concern. In order to achieve this it is essential to enhance the competencies, commitment and building of sound culture. The HR Department has a key role to develop certain systems, process, and formulate rules and regulations to achieve the appropriate organization culture which will be healthy and the employees on their own will offer their commitment to the organization.

Any practice that deals with enhancing competencies, commitment and culture building can be considered as best HR practice. The practice can take the form of a system, a process, an activity, a norm, a rule, an accepted or expected habit, or just a way of doing things. HRD has been defined as essentially consisting of these three Cs :-

- ❖ Competencies
- ❖ Commitment
- ❖ Culture

Significance of the research topic

From the above discussion about the new dimension to the HRM practices that has come to stay in India after the introduction of reforms in 1991, it is evident that

the adoption of new strategy to deal with the HRM functions has assumed greater importance. Lots of new facilities are being made available to the employees which they had not even thought of earlier. In order to sustain the growth, the industries are required to adapt to the new HRM policies and ensure that the organizations derive the benefit of the Best HR practices in improving the quality as well as reducing the cost of production / services to achieve the corporate goal of achieving higher market share and the profits.

It is in this context the researcher has felt it appropriate to study the change that has taken place in handling the human resources development by the Large Scale Industries located in Pimpri-Chinchwad Corporation area which has a prominent presence of large-scale industries of all types. There are multinational as well as domestic large scale industries. There are manufacturing as well as service sector large scale companies in this location. On this back drop the significance of the research topic has been highlighted. The study would be quite useful to the managements of today and tomorrow's large scale industries.

Objectives of the study

Keeping in view the research topic the researcher has formulated the following objectives for this research:

1. To analyze the HR practices currently used by the identified industries.
2. To study the Best HR practices in vogue subsequent to the opening of the Indian economy (liberalization/ globalization/ privatization).
3. To study the impact of best HR practices on employee satisfaction.
4. To identify potential areas in achievement of employee satisfaction using the best HR practices and to suggest possible solutions.

Justification of Objectives

After the introduction of economic reforms in India since 1991, the entire picture of the labour market at least in certain centres like Pune has undergone a sea change. Pune has become automobile hub as well as information technology hub. As a result multinational companies have opened up their manufacturing / research and development units in and around Pune. These industries have not only brought technology to India but also their Human Resources Development practices. This has also a bearing on the HR practices followed by the domestic companies either in manufacturing segment or in information technology segment. Therefore, the researcher considered it appropriate to undertake the study of HR practices being followed by the industries identified for this study and to analyze those practices. This is the rationale for identifying objective No.1.

As stated in the earlier paragraph, after 1991, the concept of best HR Practices have come to India. Now human resources development department is constantly innovating new HR Practices to ensure that the employees of the organization, in whose selection and grooming lot of money, time and effort has gone in, continue to work with the organization. These HR practices keep the employee attrition rate to minimum. Therefore, the researcher has considered studying these Best HR Practices newly introduced in the Indian industries. On this backdrop the researcher has formulated this objective number 2.

Retention of the employees who are the costly assets to the organization is big task before the HRD department. Introduction of the best HR Practices also involves costs. And hence impact of Best HR practices on employees' job satisfaction also needs to be studied. Satisfied employee is an asset and the managements have to study the impact of these practices on the employees and ultimately the benefits organization derives from it.

Naturally while studying the above three objectives there will be a lot of input available to the researcher. Some problems will come to surface and as a research scholar some solutions may emerge to address these problems. Hence the researcher has formulated the last objective.

Hypotheses: The researcher has framed the following hypotheses for this research:

- H₁ There is positive impact of the best HR practices on the employee satisfaction and efficiency of the employees.
- H₂ The application of best HR practices has a bearing on the quality of production/ services.
- H₃ The application of best HR practices reduces the attrition rate.
- H₄ The employee satisfaction results in cordial employer – employee relations.

Justification of the hypotheses: Success of the management is dependent on the cost benefit study of each of its actions which has impact on the profitability of it. Introduction of the best HR practices will certainly entail benefits which are in the form of employee satisfaction and in turn its impact on the efficiency of the organization. In an organization where best HR practices are introduced the attrition rate is very meager. Therefore the researcher has formulated the hypothesis number one as stated above.

As stated earlier a satisfied employee is an asset and such employee gives full commitment to the organization. Naturally this is reflected in the improvement in the quality of the product and the services rendered by such a devoted employee. In order to test this statement the researcher has formulated this hypothesis number two.

The researcher wanted to study the direct relation between the introduction of best HR practices and attrition rate. Therefore this hypothesis is to be tested through this research, hence framed this third hypothesis.

Needless to say, that the job satisfaction has its impact on the employees' satisfaction. This employees' satisfaction in turn has a positive impact on the employer – employee relationship. Usually in such an organization relations are cordial. There are less number of employee grievances. Management is keen in ensuring employees' welfare. The researcher therefore formulated this hypothesis which has been tested in this research.

Research Universe: Large Scale Industries refer to those industries which require huge infrastructure, man power and have influx of capital assets. The term 'large scale industries' is a generic one including various types of industries in its purview. All the heavy industries of India like the Iron and steel industry, textile industry, automobile manufacturing industry etc., fall under the large scale industrial arena. However in recent years due to the IT boom and the huge amount of revenue generated by it the

IT industry can also be included within the jurisdiction of the large scale industrial sector. Last but not the least the telecom industry also forms an indispensable component of the large scale industrial sector of India. Indian economy is heavily dependent on these large industries for its economic growth, generation of foreign exchange and for providing job opportunities to millions of Indians.

Primary Data: The primary data has been collected in two stages. The first stage refers to the data to be collected from the Heads of the HR Departments of the identified industries with the use of pre formulated questionnaire. In the second stage the researcher has thought it appropriate to collect primary data from the employees and the staff of the identified industries. This data collection from the employees helped to cross check the implementation of the HR policies and how it is received by them.

Secondary Data: The secondary data has been collected from the related literature on various books, committee reports, journals and periodicals, news papers articles, research papers, previous research and websites. Pune being educational hub lots of libraries are available and therefore the availability of the reading material did not pose any problem.

Period covered by this study: This research covered the period financial year ending 31st March 2007 to 2012.

Sample size: Working out the sample size was a very complex activity. Therefore, the researcher obtained the data on the number of large scale industries located in the MIDC industrial estates. He also collected the data on the Large Scale industries located in Pimpri Chinchwad Corporation but outside the MIDC industrial estates.

In order to have a cross section of the industries for the study purpose the core activity like – Automobile industry, IT industry, etc. of the unit was also taken in account. In order to have better understanding the best HR practices followed by the Multinational industries also found place in the industries identified for this research. This enabled to compare the best HR practices that are being followed by the domestic large scale industries.

Table showing identified industries for this research

As on 31st March 2011

Sr. No.	Name of the company	Classification details	Domestic/ MNC
Manufacturing Industries			
1	Tata Motors:	Automobile: Mfg. of Commercial Vehicles	Multinational organization
2	Kirloskar Oil Engines Ltd.	Oil engine Mfgr.	Domestic Mfg. Co.
Services Sector Cos.			
3	Cognizant Technology Solutions Ltd.	IT Service Industry	Multinational Organization
4	Tech Mahindra Ltd.	IT – Service Industry	Domestic

Being a large scale industry the operations of the companies identified for this study are spread over in number of locations. These companies are having a well developed and equipped Human Resources Department. For the purpose of this research, employees are divided in three broad categories as under:

- 1) Employees from Senior Management Cadre
- 2) Employees from Middle and Front level management Cadre
- 3) Employees who are the workmen and have their own trade union.

With a view to compile data we have identified staff from each cadre and from each identified company, as under:

Sr. No.	Class of employee from each identified industry	Employees identified
1	Employees from Senior Management Cadre	5
2	Employees from Middle and Front level management Cadre	35
3	Employees who are the workmen and have their own trade union.	60
	TOTAL	100

Thus the total sample according to class of employees identified for this study is as under:

Sr. No.	Class of employee	Employees identified
1	Employees from Senior Management Cadre	20
2	Employees from Middle and Front level management Cadre	140
3	Employees who are the workmen and have their own trade union.	240
	TOTAL	400

Questionnaire: Two sets of questionnaire are compiled:

- a) For HR heads of the identified companies.
- b) For the employees of the identified companies.

Statistical Tools used: The following statistical tools have been used:-

- ❖ **Percentage & Ratios-** This is a special kind of ratio which will be used to compare variables. Percentages will be used to condense data and express in relation to 100.
- ❖ **Correlation-** This tool has been used to know the relationship between the variables. That is the effect of change in one variable on another variable.
- ❖ **Diagrams and Graphs-** The diagrams and graphs have been used as an aid in interpretation of data and drawing conclusions.
- ❖ **Averages-** This statistical method is often necessary to represent a set of data in terms of one single number that should neither represent the lower nor the highest value but a value in between the highest and the lowest value.
- ❖ **Proportionality Test**
This test explains how to conduct a hypothesis test to determine whether the difference between two proportions is significant. The test procedure, called the two-proportion z-test, is appropriate and uses the following formulae.

To test $H_0: p=p_0$, the sample size are so large that both np_0 and $n(1-p_0)$ are 10 or more.

Now compute Z statistics as $Z = \frac{p - p_0}{\sqrt{p_0(1 - p_0) / n}}$

In terms of a variable Z having the standard Normal distribution, the approximate P-value

For a test of H_0 against some alternative hypothesis say H_a

$H_a: p > p_0$ is $P(Z \geq z)$

$H_a: p < p_0$ is $P(Z \leq z)$

$H_a: p \neq p_0$ is $P(Z \geq |z|)$

This test has been performed for each variable given, and the results are summarized in below table. P values have been used to take decision about the variables. Level of Significance is 0.05.

Scope of Research Topic: From the foregoing discussion it is clear that Managing Human Resources of any organization is a vital task in the changed management philosophy. It is not limited to the personnel administration. It goes beyond. Particularly after the adoption of the globalization, liberalization and privatization, number of multinational companies have arrived in India and along with those companies their approach to manage human resources has also made an entry in India. These new role and the best HR practices have made a difference in the Indian context. Therefore, the current research topic has posed several newer aspects in HR management for this research study. Newer concepts, new type of facilities, altogether new type of amenities which are being provided by these multinational companies are new in the Indian context and the Indian companies will also have to adopt some of these practices applying appropriate changes acceptable to the Indian context. Therefore, the researcher is of the considered view that there is an ample scope to this research topic.

Limitations of the study: Compared to the total number of large scale industries operating in the identified study area the sample is moderate. Each company has different HR practices, although there may be some common practices. Hence, the sample may be treated as indicative but the findings may not be universally applicable. And to that extent this is one of the limitations. It is practically, not possible to cover a larger sample than the one that has been selected taking into account the time, man power and resources available to the researcher.

The questions relating to the policy matters were put to the HRD officials. Some of them expressed their limitation on the point of secrecy.

One of the limitations is that, while the responses came from employees who were best placed to report the actual HR practices that exist, there is still room for error. Employees may not be completely accurate and, in some cases, may not be completely knowledgeable about practices that have an impact on others. Even after ensuring that a cross section of the employees was covered by this research, the problem is minimized, but not eliminated.

Chapter Scheme

Chapter – 1: Introduction: In this chapter the researcher discussed the definition of industry, classification/ types of industries role and importance of industries in Indian economy, historical perspective of Indian industries, history of industrial development of India, post independence development of Indian industries, various Industrial policy initiatives till date, Indian industry prior to liberalization, impact of globalization on Indian industries, categorization of Indian industries, definition of large scale industries in India, Definition of Human Resources Development, evolution of concept of Human Resources Management, importance of HR and Significance of HR Planning, traditional HR practices, impact of globalization on HR, impact of HR Management on industry, strategies of HR management, objectives of HR, functions of HR, the Role of HR Manager, the impediments in HR implementation.

Chapter – 2: Research Methodology: This chapter deals with significance / importance of the research topic, objectives of HR, hypotheses, research universe, data collection, primary data, secondary data, sample size, questionnaire, analytical tools used, scope and limitations and chapter scheme.

Chapter – 3: Review of Literature: In this chapter the researcher has taken a short review of the various books, journals, periodicals, theses, reports, websites which are related with the topic under research.

Chapter – 4: Brief Profile of Pimpri-Chinchwad Area and Identified Industries: This chapter covers a brief profile of the study area and the identified companies for this research. This helps in understanding the research work in its right perspective.

Chapter – 5: Traditional & Best HR Practices in India: In this chapter the traditional HR practices have been brought out in details which, help to understand the new approach to HR that is being currently implemented. It also brings out the best HR practices being followed in India.

Chapter 6: Analysis and Interpretation of Data: The data collected through the primary data collection from the field has been analyzed by using various statistical tools like, tables, ratios, percentages, proportionality test etc. This chapter also includes validation of hypotheses framed in the beginning.

Chapter – 7: Observations, Suggestions, Conclusion: This chapter covers researcher's observations based on the data analysis, suggestions, scope for further research and conclusion.

HYPOTHESES TESTING

All the hypotheses formulated at the beginning of this research have been fully tested with the use of proportionality test and the same has been detailed in the chapter No. VI.

OBSERVATIONS & SUGGESTIONS

OBSERVATIONS

A) Management Support

- a) **Sympathetic listening to employees by management:** 57.25 per cent of the respondents have stated that the management sympathetically listens to them. 21.25 per cent remained neutral and the rest have expressed their disagreement.
- b) **Appreciation of the academic knowledge by the management:** 67 per cent of the respondents have stated that the management appreciates their academic knowledge while 17 per cent remained neutral and the rest expressed their disagreement.
- c) **Provision of medical facilities:** 73.5 per cent respondents stated that they receive adequate medical facilities from the management while 17.75 per cent remained neutral and the number of respondents expressing disagreement is negligible.
- d) **Management Climate:** 65 per cent of the respondents reported that there is a free atmosphere in the organization and that they can freely discuss their problems with the management while 21 per cent of the respondents remained neutral.
- e) **Communication channels:** On this score 75 per cent of the respondents reported that the organizational climate is such that they can communicate with the management informally which is a good sign.
- f) **Management's openness for suggestions:** 61.00 per cent of the respondents have reported that the management is very much open and welcomes their suggestions for improvement in the systems and procedures. 25.5 per cent of the respondent preferred to be neutral.
- g) **Involvement in decision making:** 64 per cent of the respondents are of the view that they are being involved in the decision making process.

Overall observation on Management Support

If we account for all the responses collectively the researcher is of the view that the overall management support is satisfactory. It leads to job satisfaction, increased production, and commitment of the respondents which collectively reflects on the productivity and profitability of the organizations that they serve.

B) Working Environment

- a) **Working conditions in the department:** 70.75 per cent of the respondents stated that the working conditions are satisfactory, while 21.5 per cent of the respondents remained neutral. Rest reported that they disagree with the statement.
- b) **Sitting Arrangements & comforts:** 67 per cent of the respondents reported satisfaction while 25.5 per cent preferred to be neutral. Only 7.5 per cent of the respondents reported dissatisfaction.
- c) **Office environment:** 65.5 per cent of the respondents reported that the office environment is healthy and 25.5 per cent of the respondent preferred to be neutral. Hardly 9.0 per cent of the respondents reported negatively.

- d) **Organizational discipline for the faculty:** 77.75 per cent of the respondents reported satisfaction while 19 per cent respondents remained neutral. Only 3.25 per cent viewed it negatively.
- e) **Availability of recreational facilities:** 90.5 per cent of the respondents reported satisfaction and rest 9.5 per cent remained neutral and there was no one representing dissatisfaction.
- f) **Availability of the health care facilities:** 72 per cent of the respondents reported satisfaction while 17 per cent preferred to be neutral. 11 per cent viewed it negatively.

Overall assessment of the Working Environment

Considering the above responses in aggregate it is observed that the working environment in the organizations under study is quite healthy and has received majority of the respondents' satisfaction.

C) Job related Aspects

- a) **Love towards Job:** 74.5 per cent of the respondents expressed that they Love their job and the rest preferred to be neutral. No one gave negative response.
- b) **Leave rules of the company:** 79.5 per cent of the respondents expressed happiness about the leave rules and the rest remained neutral.
- c) **Continuation in the present job:** 72.5 per cent of the respondents reported that they do not think of giving up the present job, while 9.5 per cent remained neutral. Rest answered it negatively i.e. they may think of switching over to other job.
- d) **Job Involvement:** 76.25 per cent of the respondents reported that they have involvement in the job while 22.25 per cent preferred to be neutral.
- e) **View about the selection of the job:** 76.5 per cent of the respondent feels that they have selected the right job for them while 22.5 per cent preferred to be neutral.
- f) **Assessment about the training arrangements:** Here it was observed that all the respondents are unanimous in reporting that they have excellent training arrangements and that they receive comprehensive training from their organization..
- g) **Assessment of Attrition Rate:** 83.5 per cent assessed that the attrition rate is less while 15 per cent remained neutral.
- h) **Improvement of the quality of the product:** Here again yet another question where the 100 per cent of the respondents are unanimous in assessment of the improvement in the quality of the product.
- i) **Assessment of Job Rejection Rate:** 70 per cent of the respondent rated it as almost 0 per cent while 26 per cent of the respondents preferred to be neutral.
- j) **Cordiality of the Employer Employee Relations:** 78 per cent of the respondents reported as relations are quite cordial while 16.25 per cent preferred to be neutral.

Overall Observation about the Job Related Aspects

If we look at the responses of the respondents in totality, it is observed that on all the counts there is overwhelming majority of the respondents who have expressed satisfaction on the job related aspects. Needless to say that such an atmosphere in the organization increases productivity and profitability.

D) Motivational Aspects

- a) **Help from the Boss for achieving organizational goals:** 72.25 per cent of the respondents answered it in affirmative while the remaining preferred to be neutral.
- b) **Motivation by Management:** 84.5 per cent respondents were in the category of happy while 10 per cent remained neutral, rest marginal percentage was that of unhappy ones.
- c) **Assessment about in house communication:** 77.5 per cent of the respondents appreciated the in house communication while 20 per cent preferred to be neutral.
- d) **Clarity about work assignment:** 78.75 per cent of the respondents reported that there is enough clarity about the work assignment while 15 per cent respondents preferred to be neutral.
- e) **Management's approach towards suggestions:** 76.25 per cent of the respondents reported satisfaction while 23.75 per cent of the respondents remained neutral.
- f) **Attitude of the colleagues:** 73.75 per cent of the respondents reported that the colleagues are helpful, while the balance percentage represents that of neutral respondents.
- g) **Scope for promotion:** 58.75% respondents reported that there is a scope for promotion and 41.25% respondents remained neutral.
- h) **Deputation to reputed professional training organizations:** 46.5 per cent of the respondents were satisfied on this score while the remaining preferred to be neutral. Here one point is required to be noted and that is, such a deputation is for the staff from Middle management and Senior Management for such outside organization's training programmes and hence the respondents remaining neutral is higher.
- i) **Opportunity to display talent:** 58.75 per cent of the respondents reported satisfactory assessment while the remaining preferred to be neutral.

Overall observation on the Motivational Aspects

The overall responses of the respondents reveal that the organizations in which they are working are using various motivational tools and ensure that the staff remains motivated throughout. The percentage of the neutral respondents is relatively less. There is no negative response from any of the respondents.

E) Perception about HR Practices

These are the statements included in the questionnaire which have a direct bearing on the main theme of the research i.e. impact of the Best HR Practices.

- a) **Role of HR in pursuing innovative HR Practices:** 58.75 per cent of the respondents expressed that the HR department pursues best innovative practices, while 41.25 per cent of the respondents preferred to be neutral. There is no respondent stating a negative response.
- b) **Availability of House Bulletin:** This is again a question which has been answered in affirmative by all the respondents. That is to say in all the organizations under study there is a house bulletin which provides an opportunity to the respondents to understand what is happening in the

organization and it also provides them an opportunity to express their views also.

- c) **Availability of the facility of the Flexi Timing:** 62.5 per cent of the respondents reported that in their organizations there is facility of availing flexi office timings while the remaining 37.5 per cent of the respondents remained neutral. Here it should be noted that in the study there were a few manufacturing organization in which such flexi timing facility cannot be given and hence the percentage of neutral respondents is on higher side.
- d) **Facility of work from home:** 55 per cent of the respondents reported that they have the work from home facility, of course with some rider on it. This facility is usually available for the staff from the IT sector as well as BPO organizations. This facility cannot be considered in the manufacturing organizations as they have to use machinery as well as raw materials etc. Hence such facility cannot be considered for them. Therefore, 41.25 per cent of the respondents preferred to be neutral. There was a marginal number of respondents i.e. 3.75 per cent who responded negatively. This is just a normal phenomenon as in IT or BPO companies. This facility cannot be extended to all the employees. There are certain positions particularly in the supervisory cadre their physical presence in the office is a must.
- e) **Provision of Cafeteria / Canteen providing good food:** This is again an area where the employees are also concerned about the quality of the food that is being served by the company canteens / cafeterias. Hence this question was included. 57.75 per cent of the respondents expressed satisfaction about the quality of the food while 23 per cent of the respondents preferred to be neutral. 19.25 per cent of the respondents expressed dissatisfaction about the quality of the food. As compared to the satisfied respondents the dissatisfied percentage is relatively less.
- f) **Availability of the subsidized food:** This is also an aspect which the employees consider to be dear to them. In number of companies the food and other stuffs available in their cafeteria / canteen is subsidized by the management. In some companies although such a facility is not available at subsidized rates but the managements take care that there is no exploitation of the employees by the canteen contractor by charging unreasonable rates. Considering this aspect the question was included to get the feedback from the respondents. It was revealed that in all the organizations under study the food and the other stuffs are available to the employees at subsidized rates.
- g) **Birth day celebrations in the office:** In number of organizations the employees' birth days are celebrated which again is a healthy best HR practice. The celebration of the birth days in the office brings cohesiveness amongst the working group in the department and which results in healthy relationship amongst the group. Usually, the managements on such occasions give some memento to the staff on certain special occasions. (Celebration of 50 / 60 years birthday etc.). 56.25 per cent of the respondents reported that in their organizations birthdays are celebrated.

- h) **Felicitation of the achievements of the employee's kids:** In order to boost up the employees and their families to pay special attention to the education / extracurricular / cultural / sports achievements of their kids, in some companies as a part of motivational tool, the organizations organize felicitation programmes for these achievers from the employee's families. This in turn boosts the morale of the employees which results in commitment to the organizational goals. 74.5 per cent of the respondents reported that in their organization such felicitation functions are organized.
- i) **Availability of well defined reward and recognition schemes:** As a motivational tool the organization use the rewards and recognition of the excellent performance of their employees. Of course, it is important to ensure that such schemes should be clearly defined to ensure that there is no element of partiality. If this aspect is not ensured it adversely affects the morale of the employees. In the sample under study, 73.75 per cent of the respondents reported that they have well designed and clearly defined reward and recognition schemes in their organization.
- j) **Opportunity to participate in NGO's work:** In recent times it has been observed that the company managements are having concern about the social development of certain areas which are dear to them. Therefore, some companies have now accepted the philosophy of corporate social responsibility. Very recently the Govt. of India has passed a legislation wherein the companies are under obligation to spend 2% of their net profit on certain identified educational / health care projects for the down trodden / up till now neglected sections of the society. Therefore, some companies are now building up tie up arrangements with reputed Non Governmental Organization (non profit earning organizations) to fund their eligible projects. Even there are some of the employees who are having special aptitude for social work. In order to nourish this attribute some companies grant special holidays to their interested staff on full pay basis to work on some social projects approved by the company. Such a provision for the staff is welcomed by the staff as they also get an opportunity to meet their own liking. It is on this back drop feedback from the respondents was called for. It was observed that 43.75 per cent of the respondents reported that their organizations have tie up with NGOs for such a social work opportunity. 30 per cent of the respondents remained neutral to this question. It may be because of their unawareness about it or apathy on their part.
- k) **Introduction of best HR practices – an ongoing exercise:** In order to understand the approach of the Management (HR department) about the implementation of the Best HR Practices, this question was included. Now in order to ensure that the attrition rate is maintained at minimum possible level there is need to be vigilant in introducing best HR practice. Hence, there should be a constant (ongoing) pursuit to innovate Best HR Practices. 74 per cent of the respondents reported that in their organization the HR is pursuing this innovation function on best HR practices on ongoing basis. The rest of the respondents preferred to be neutral.

Overall observation on the Perception of Best HR Practices

This was a crucial area of the responses of the identified respondents as it had a direct relation to the thrust area of the research. Normally when an employee takes a decision to join any organization for employment he/she does take into account, apart from the compensation and other benefits, the management's outlook towards introducing the Best HR Practices. Therefore the prospective job seekers also collect information about the management's attitude towards introduction of the Best HR practices. They compare the best HR practices being followed in the various similar organizations before taking a final decision of joining. It is on this score the feedback was sought. 74 per cent of the respondents reported satisfaction on this score while the remaining preferred to be neutral. On the whole majority of the respondents have also expressed their satisfaction about the management's approach towards best HR practices and naturally it positively influence the productivity, commitment and profitability of the organization which is translated into the company's financial statements.

F) Organizational Culture

Organizational culture is also an aspect which is subdivided in 20 statements of which 18 statements received positive responses from the respondents while only 2 questions which were related to the sharing of information and performance appraisal wherein the respondent's response was negative. On the whole the organizational culture was quite healthy.

Sr. No	Aspect	% of respondents having		
		+ ve	Neutral	-ve
a.	Willingness to help others	54.5	25.5	20
b.	Free flow of information sharing	42	43.25	14.75
c.	Keeping upto date about the developments in the organization	55	45	0
d.	Inter departmental cooperation	57.5	32.0	10.5
e.	Failures are looked upon as opportunities	79.25	20.75	0
f.	Positive impact of facilities	85.0	15.0	0
g.	I always respect other's views/ opinions.	100	0	0
h.	Our company really cares about employees benefits.	55.0	26.5	18.5
i.	Loyalty to the organization.	100.0	0	0
j.	Feelings about organizational pride	100.0	0	0
k.	Delegation of authority	56.25	43.75	0
l.	Free flow of interdepartmental responses	89.5	10.5	0
m.	Easy availability of the departmental head	100.0	0	0
n.	Investment in Skills	72.0	28.0	0
o.	Offering ideas for improved functioning	81.25	18.75	0
p.	Excellent team work is nurtured	73.75	26.25	0
q.	Our company provides comprehensive training to its employees.	100.0	0	0
r.	Established proper systems and procedures	72.50	27.50	0
s.	Well defined performance appraisal system	41.25	21.25	37.5
t.	Approach towards new ways for improvement.	55.0	45.0	0

Best HR Practices identified by majority of the respondents in order of priority.

The respondents were asked to state 5 best HR Practices observed by their organization, according to their priority. The commonly adjudged best HR practices identified by the respondents were consolidated and the following picture emerged. Naturally the preferences of the respondents from the various categories under study are different. Therefore these preferences have been consolidated according to the category: Workmen, / Middle Management / Senior Management

Sr. No.	Best HR Practice in the organization
A)	Workmen (who are members of union) responses
1	Compensation
2	Working Environment – comforts at work place (Safe, Healthy and Happy Workplace)
3	Work from home and flexi working hours
4	Medical facilities for self and family
5	Job security
B)	Middle Management's responses
1	Compensation
2	Well chalked out career development plan. (Fair Evaluation System for Employees/)
3	Rich fringe benefits (leave travel concession/medical reimbursement, reimbursement of club fees/ housing loans on soft terms/ provision of residential accommodation /
4	Due recognition and appreciation by the management (Publicize Good Performances /
5	Comprehensive training facilities including deputation to reputed professional training organizations
C)	Senior Management's responses
1	Compensation
2	Organization's work culture
3	Well developed Authority responsibility relationship
4	Scope for participation in strategic policy decisions
5	Fringe benefits (Executive perquisites like chauffeur driven car, petrol allowance, family holidays, etc.

General Observations about functioning of HR Departments

During the course of this research the researcher had an opportunity to interact with various HR functionaries and could get the feel of the current level of HR functioning. Following are some of the observations which are worth noting.

1. Management institutes face the challenge of reorienting their courses to reflect newer HRM concepts. The department of management studies at IIT-Madras has attempted such changes.
2. Because of increasing competition that has resulted from liberalization, Indian organizations have adopted HRM practices both critically and constructively to foster creativity and innovation among employees.
3. Local units of MNCs have been early adopters of annual performance appraisals, employee development programs, and relative (normalized) ranking of performance

4. There is an increased emphasis on HR related activities seen in Indian organizations.
5. Indian managers like centralized decision making.
6. The majority of the lower level of employees are not aware of their rights and are exploited by the management.
7. There is a shift taking place in the pattern of HRM practices in Indian organizations, from the traditional administrative types to a more strategic and proactive type.

SUGGESTIONS

As has been seen earlier there are number of factors that one has to take into account while introducing new HR practices as ultimately it adds to the costs. Over the years it has been observed that these costs are rising. At the same time we cannot ignore the importance of retaining the talented employees as well as arresting the attrition as it again involves heavy costs. Therefore henceforth the role of the HR Department is going to be very crucial.

The researcher has identified certain key areas which should be addressed by the HR department in the immediate future.

1. **Stress Management:** Day by day there is an ever increasing tension that the employees have to bear. Therefore while designing the new HR practices there should be an element which will ensure that the employees remain tension free. For this purpose the organization will have to organize specific courses on stress management on a continuing basis.
2. **Focus on Health care:** The fall out of mounting tension is the deterioration in health of the employees. There are several studies which have brought out the fact that the number of youth suffering from Diabetes, Blood pressure, depression etc. are increasing. Therefore, the HR department should focus on the regular health check up of its workforce at periodical interval. Now there are some multinational organizations which have in their every building an ambulance, on each floor there is a wheel chair, stretcher, first aid boxes etc.
3. **Focus on personality development:** The HR department should include in their training schedules programmes which will help in the overall personality development of the employees.
4. **Family support:** Now a day it has been observed that because of the spread of technology particularly internet, mobile phones, etc. even after returning from the office, the employee has to devote major time to the office work. In order to maintain the standard of living usually the better half are also employed. Therefore, the employee finds very little time to attend to his personal domestic work. Because of the split families there is no one to look after the kids. Therefore, this aspect also adds to employee's stress. Therefore, while introducing any new Best HR practices this aspect should also be borne in mind. Apart from babysitting, crèches, for pregnant lady staff separate retiring rooms are required, for breast feeding separate arrangements are required, such facilities be introduced.
5. **Provision of special arrangement at worksite:** The employee finds very little time to attend to various personal works: for filing of income tax returns, for renewal of driving license, etc. the organizations can have a tie up with

these concerned departments and make special provision for on the house arrangements so that the employee gets relief.

6. **Job Rotation:** There should be a system of job rotation which enables the employee to acquire knowledge of other departments. The company also stands to benefit since the workers are qualified to perform a number of different jobs in the event of an emergency. Due to change in the job the employee also gets job satisfaction. Job rotation relieves monotony.
7. **Provide autonomy:** If certain amount of freedom is given to the employees to do their work in their own way it increases their job satisfaction. It has been proved that if the people are given freedom to take their own decisions they work hard and derive job satisfaction.

ATTAINMENT OF THE OBJECTIVES

The researcher started this research framing certain objectives which have been dealt in the chapter II on Research Methodology. Now at the end of this research, when the researcher looks back, he feels that the objectives are fully achieved by this research. He has been able to analyze the Best HR Practices that are being observed in the identified industries for this study. After the opening of Indian economy since 1991 and with the entry of number of multinational companies in India, number of new Best HR Practices have been introduced in India primarily with the twin objective to retain the talented employees as the MNCs were experiencing flight of talented employees as well as to ensure to maintain an edge in the competitive markets. The HR practices that are being followed by the industries have a positive impact on the employee satisfaction which ultimately reflects on the employee's productivity and the organization's profitability. Each industry has its own peculiarity which needs to be taken into account while introducing best HR Practices. E.g. Work from home facility cannot be considered by the manufacturing industries. It is possible only in Information Technology industry or to make a generalization by the service industry. Introduction of the Best HR Practices are also dependent on several other factors like size of the company, organization's culture, profitability, composition of the staff etc. Thus at the end the researcher is of the view that the objectives originally set out have been fully achieved.

SCOPE FOR FURTHER RESEARCH

As has been stated in the introduction chapter that the concept of the HR Practices is not a static one, but it is a dynamic concept. Day in and day out the work situations are changing fast and therefore the Human Resources Development Department has to be on its toes all the time to innovate new HR Practices on continuing basis, which will induce the talented employees to continue with the organization and to give maximum returns to the organization.

This research has revealed that there is a difference in the working of the Human Resources Development Departments of the domestic companies and the multinational companies. Therefore, a research can be undertaken to bring out this difference in the approach between these two segments which will be helpful for the domestic companies to improve upon their functioning and ultimately withstand the fierce competition that has been faced as a result of globalization.

In times to come there is going to be a serious problem of retaining the talented employees as the business opportunities in the underdeveloped companies are

growing fast. There is a need to collaborate loyalty among employees. Hence a research is also possible to study this problem and to come out with some practical solutions.

As has been stated earlier that the process of attrition of the employees started on a large scale after five years of India's adoption of globalization in 1991. This is adversely affecting the industries profitability. Therefore the researcher is of the view that a research study can be undertaken to find out the impact of HR practices on the employees' attrition rate.

CONCLUSION

The Indian economy was forced to adopt a structural change process at the beginning of 1991. Liberalization initiated the process of the opening up of an otherwise closed economy of India and created a hyper-competitive environment. A hyper-competitive business environment presented a number of challenges and opportunities, both external and internal. External challenges and uncertainties included barriers that were difficult to control. Internal challenges like dramatic advances in technology, changing of organizational forms necessitated redesigning of human resource practices. To respond to this confusion, Indian organizations adopted innovative changes in their HRM practices.

India itself is not a homogenous entity. Regional variations in terms of industry size, business culture, socio-cultural issues and bureaucracy play very important role. The nature of hierarchy, status, authority, responsibility and similar other concepts vary widely across the nation.

This research study was undertaken to find out the impact of the best HR practices on the employees satisfaction and accordingly the primary data was collected and analyzed. It has been revealed that the Best HR practices have a positive impact on the employees' satisfaction. Today the HR Departments are passing through a transition stage and getting equipped with sharpening the tools of retaining the talent in the organization.

While studying the Best HR practices it has been observed that the Best HR practices followed by multinational companies cannot be copied in toto as those are based on the environment prevailing in their Head Quarter country. In the Indian context those practices are required to be suitably modified to suit the Indian environment. Implementation of best HR practices also involved costs and therefore the Indian companies are required to balance the cost and the benefit that they derive. It can be said that HR practices that are being followed in India are subjective in nature. These practices differ from company to company, based on location of the units, nature of production/services etc. Therefore, HR practice which is considered as best HR practice for one company may not be so for another company. This needs to be understood correctly before its implementation.

To conclude that it can be said that HR practice is becoming more and more challenging day by day. They have to face lot of problems like retention, attraction of employee, dealing with different cultural people, managing work force diversity, technological and informational changes to overcome with these challenges training (Cross cultural training and technological and informational training) is necessary for HR people. To reduce mobility of professional personnel, HR people have to motivate

them from monetary and non monetary techniques. Proper performance evaluation system and proper career development plans should be used in the organization to reduce professional mobility.

The end result of best HR practices is achievement of employee satisfaction that is positive feeling which gives happiness, joy and delightfulness to an employee and builds confidence in his or her personality. Satisfaction also helps in developing loyalty among the employees towards their organization.

CHAPTER I

INTRODUCTION

1.1 INTRODUCTION

The industrial sector plays a dominant role in the economic growth of India. Its contribution to GDP is 16 per cent and there is still very good potential available for further growth. Knowing its vital importance the government of India has taken several initiatives to boost up this sector. These steps are showing good results.

India adopted the policy of globalization, liberalization and privatization since 1991. After globalization, India opened up its economy gradually and has welcomed the foreign direct investment in several sectors in a phased manner. As a result number of multinational manufacturing companies of good reputation has realized the potential available in India. They came to India and established their manufacturing units. E.g. Pune has become an automobile hub wherein number of world giants in automobile sector has come up in the vicinity of Pune metropolitan centre. Number of multinational companies engaged in manufacture of consumer durable goods has also opened their manufacturing units in and around Pune.

Definitions

Technically a unit engaged in the manufacture, processing or preservation activity is called an industry. Manufacturing industry is one which converts the raw material into finished product to meet the consumer's requirements. E.g. Production of two wheelers, consumer durable goods etc. Processing activity means where the unit processes the material for consumers consumption. E.g. industry engaged in dyeing, bleaching of cloth, flourmills which convert wheat in aata, rava etc. and Preservation activity means by using some agents and observing some process the goods are preserved for a longer period. E.g. mango pickles, various masale etc.

The word Industry has been defined differently using various aspects such as investment in plant and machinery, number of workers, activity criteria etc. In general the economists have defined the word industry as a unit engaged in the manufacturing

activity or productive enterprise in a particular field. Usually industries are known by their product. E.g. industries engaged in automobile sector are known as Automobile Industries, industries manufacturing textile goods are known as textile industries etc. Similarly there are Pharmaceutical industry, leather goods mfg. industry so on and so forth.

In order to have uniformity for statistical purposes the industries are classified and codified under uniform classification code. E.g. Standard Industrial Classification (SLC).

Similarly other general business activities or commercial activities providing various services are also called industry. E.g. Tourism industry, Entertainment industry, etc.

Because of the industrial development, growth and expansion of the trade and commerce is possible. The industries are on the supply side of the market.

The term management is essentially a decision making unit. The management functions encompasses various aspects such as planning, budgeting, organizing, recruitment, selection, training, control, communication, review etc.

Among these various aspects, certain aspects which deal with the selection, recruitment, deciding compensation, training, administering the workforce, and in broader terms ensuring uninterrupted supply of motivated workforce to the organization are the functions which are usually clubbed under Human Resources Development department. In good old days there used to be Administrative or Personnel dept. which used to deal with the recruitment, and maintenance of administrative records relating to the employees. However, after the adoption of globalization and entry of multinational organizations in India this department is being known as Human Resources Development Department and its role has been widened. Apart from enlargement of role its importance in the entire organization has also grown tremendously. It has become a key department in the organization. In the foregoing paragraphs the various activities that are undertaken by the Human Resources Development Department have been discussed in greater detail.

1.2 CLASSIFICATION / TYPES OF INDUSTRIES

The industries are classified using various yardsticks. Following are the major classifications that are being followed.

1. Primary Industry

In this category the production of goods is taken up with the help of nature. Very little human effort is required. E.g. Agriculture, forestry, fishing, horticulture etc.

2. Genetic Industry

In this category the industrial activity carried out is re-production and multiplication of certain species of plants and animals for ultimate sale. The sole aim is to earn profit by effecting sale of the re-produced or multiplied products. E.g. plant nurseries, Poultry, cattle breeding etc.

3. Extractive Industry

In this type of industry the activity is extraction or drawing out goods from the soil, air or water. The product comes in the raw form and is used in manufacturing process. E.g. brick manufacturing, Oil from oil seeds, mining industry, coal minerals, extraction of iron ore, and extraction of rubber and timber from the forests etc.

4. Manufacturing Industry

This type of industry is engaged in converting the raw materials into finished product with the use of machinery and also using electrical power (with some exceptions e.g. manufacturing the quick lime used in sugar industry. For manufacturing quick lime firebrick kiln is required where no electricity or machinery is required.) In this category some industries are very large and that they use finished product of some of the small scale industrial units as their raw material and their final product is out. For example in respect of unit engaged in manufacturing of two wheelers under their own brand, they get the supplies of major parts such as handles, crank shafts, etc. from various vendors developed by them and lift their product to use it in their product, These small or medium industries which supply bulk of their finished products to the large manufacturer are called ancillary unit of that major company.

5. Construction Industry

This is yet another type of industry which also uses the raw material in their finished output. This is mainly engaged in the construction of buildings, bridges, dams, canals, roads etc. This industry is distinct from the other industry as its location is at the spot where the sale takes place. E.g. construction of bungalow – this is being done at the site of the bungalow, similarly construction of dam / bridge etc. Usually goods are prepared at the work site only.

6. Service Industry

In this type of industry the product sold is 'service'. Because of this peculiarity this type of industry is known as service industry. The services sold by the industry have now become so important that in a very short span of time this service industry has become a prominent industry all over the world. E.g. hotel industry which provides hospitality services, entertainment industry which provides entertainment, tourism industry etc. In case of these service industries the specialized product i.e. service which is usually a tailor made, is sold to the ultimate consumer.

1.3 ROLE AND IMPORTANCE OF INDUSTRIES IN INDIAN ECONOMY

Development of industries is the key/ crucial factor on which the economic development of any nation is dependent. Naturally this is also equally applicable to Indian economy. The contribution of the industrial sector to India's economy is certainly sizable. Of late because of the developments in Information Technology sector, the Indian economy has got a booster dose. There is a need to have a balanced industrial growth as it increases the pace of economic growth. In order to have a sustainable growth of economy there is dire need for continued industrial growth. The healthy growth of the industrial sector minimizes the risk element in the economic development. The flourishing industries plough back certain portion of their profit in the business and expand their activities and in turn it helps the industry's growth. India is a vast country which has rich store of natural resources as well as youth manpower unparalleled in the world at the current phase. Therefore, India has a very wide scope to achieve higher development on the industrial front.

1.4 HISTORICAL PERSPECTIVE OF INDIAN INDUSTRIES

India got independence in 1947. Due to industrial revolution the pace of economic development was geared up. This industrial development also led to the multi dimensional growth in agriculture. The nation witnessed a good beginning of the economy.

Due to use of the then prevailing technologies and simplified living standard there was emergence of a wave of entrepreneurs and their presence of conspicuous. E.g. Jamshetji Tata, K. M. D. Thakersey, Birla, Goenkas, etc. The names are illustrative. These entrepreneurs also received very good respect at the government quarters. It was a welcome development that the next generation of these entrepreneurs was also taking active part in the management of these industrial units and was getting groomed. The government gave all out support to them.

The government put in special initiative and ensured congenial environment for the process of industrialization. The government came forward and started setting up the godowns for stocking raw materials which were then in short supply. The government also came forward and whenever needed it also imported raw material for these industrial units. Thus the government came forward and provided all round support for the development of these industries.

In the post independence period the Govt. of India, with a view to encouraging the entrepreneurs to start Small Scale Industrial units, offered various incentives. In order to assist these SSI units the government also adopted an import policy which was favourable to these units.

Obviously the government of India was initially scared to invite foreign direct investment in these Indian industries. It was restricted to 40% of the total outlay. The government of India provided encouragement to the domestic researchers in the field of technologies not only in the industrial sector but also in the agricultural sector.

India embarked upon the planning exercise for planned development in the year 1951 when the Govt. of India established a Planning Commission. It started

planning for the five years period. The second five year plan witnessed that the government gave thrust on the development of domestic raw materials instead of resorting to import those from overseas. The government of India provided special incentives for development of domestic machineries and raw agents.

1.5 HISTORY OF INDUSTRIAL DEVELOPMENT OF INDIA

At the time of India's independence, there was very little presence of the large scale industries on the Indian industrial horizon. Even after seven decades India is being recognized as an agrarian country although the share of the agriculture in the India's Gross Domestic Product is less than that of the Industry. India is a land where the traditional craftsmen have a world class capacity to develop handicrafts and they have achieved a name all over the world. It has already been stated that India has a rich storage of natural wealth.

During the course of British Raj they had framed the industrial policy to suit their interests without giving due importance to India's concerns. This was a deliberate attempt to stem down India's development. They preferred to export the raw material to Britain and bring back the finished goods and sale it in the Indian market and exploit the local people.

Post Independence Industrial Development of India

The first and foremost priority of the Indian government after attainment of the independence in 1947 is to develop the industries to meet the domestic requirements of several daily consumption items. The then government also realized the potential of the industrial sector in the overall economic development. Therefore, the government of India for the first time announced its first industrial policy in the year 1948 and provided a direction to the industrial development.

The first industrial policy of 1948 was focused on laying down foundation of the Govt.'s policy of mixed economy wherein both the government and the public had a clearly spelt out role for the industrial development. The government gave importance for the working together both by the private and public sector. This policy had also received some criticism.

The Industrial Policy Resolution of 1956

In order to achieve a socialistic pattern of society the govt. adopted a mixed economy policy. The policy clearly spelt out the role of both public and private sector. This was with an aim to achieve a steady and parallel growth of both public and private entrepreneurs to achieve its targeted socialism. Right from this policy the government aimed at removing the regional imbalance in the industrial development. This policy categorized the industrial sector into three sectors.

Schedule A

In this category the government listed all those industrial subsectors which the government wanted to reserve for the State. This sector contained 17 industries. The objective was to ensure that the strategic industries like Arms and ammunition, defence equipment, atomic energy, heavy basic industries like iron and steel etc. remain in the State sector. It also included generation and distribution of electricity, mining and processing of copper, several specified items, Aircraft; Air transport; Railway transport; Ship- buildings; Telephones; Telephone cables; Telegraph and Wireless apparatus. There were some units in the private sector which were pursuing production of the items these were subsequently reserved by the government. The policy made an exception for these industries and allowed them to continue and even to expand. The government also made it clear that whenever need arises they will render assistance to them.

Schedule B

This category included those industries which the government wanted to own progressively and expected the private enterprises to supplement the Govt. efforts. This category included 12 industries like Aluminium and other non-ferrous metals , machine tools, ferro-alloyws and steel tools, Basic and intermediate products required by chemical industries. Sea transport, fertilizers, essential drugs, manufacture of drugs. In course of time the State increased its participation and established new units but did not discourage the private sector to establish and expand new units.

Schedule C

Industries which are not included in the Schedule A or B are included in the third category i.e. Schedule C. The private entrepreneurs were free to establish

industrial units in this category. Thus the government also wanted to develop responsible private sector participation in the industrial development. So far as the development of these industries was concerned the government restricted its role for creation of environment congenial for the development of industries.

Industrial Policy of 1977

In this industrial policy the government further classified the small sector into three categories. Mainly this categorization was based on the investment criteria.

- a) **Cottage and household industries:** It included those industries which provide self-employment on a large scale.

- b) **Tiny Sector:** As the name indicates its size that the investment required for starting those industries where the original cost of equipment used in business is only upto Rs.1 lakh and also there was a condition about location of the unit that it should be in towns having less than 50,000 population.

- c) **Small Scale Industries:** All those small industries engaged in production, processing or preservation having initial investment in plant and machinery less than Rs.10 lakhs are referred to as Small Scale Industries. However, in the case of ancillary industries which were having bulk production for the principle large manufacturer, the investment limit was relaxed to Rs.15 lakhs.

In addition to the production of important and strategic goods, the government encouraged public sector to ensure effectively for stabilizing and maintaining supplies of the essential goods to the consumer.

Industrial Policy of 1980

Through this policy the government addressed the problem of regional imbalance of industrial development. It wanted to remove this imbalance. It took initiative to provide infrastructural development to attract private investment in the backward regions. It focused it's attention for provision of electricity which was the key requirement for industrial development. Alternative sources of energy such solar power, wind power; biogas plants, tidal sea power etc. were encouraged. The

government also recognized the need for use of advanced technology, to meet the international competition.

Thus this policy aimed at promoting competition in the domestic market, use of advanced technology and modernization. The govt. also liberalized inflow of foreign direct investment in high technology areas.

Industrial Policy of 1991 and thereafter

The year 1991 turned out to be a landmark year so far as Indian economy is concerned. There was a sea change in the industrial policy of 1991. All along, the government was pursuing mixed economy however since 1991 the government said good bye to it and adopted a policy for encouraging privatization.

Industrial Licensing Policy

This policy was so generous that keeping certain key industries which were relating to security and strategic concern, social reasons, hazardous chemicals and riding environment reasons, the rest of the lists of industries included in the Schedule A and B were scrapped. The licensing policy was so liberalized that the population criteria was relaxed to some extent for establishing industrial units at places having less than one million population, no license was required. However, the government restricted the license requirement for establishing industrial units in cities having more than one million of population. The govt. also spelt out that in such cities industries should be of non-polluting nature such as electronics, computer software and printing etc. will be allowed outside 25 km periphery, except in prior designated industrial areas.

Policy on Public Sector

The 1956 industrial policy had reserved 17 industries for the public sector. The 1991 industrial policy brought down this number to 8. It covered Arms and ammunition, atomic energy, coal and lignite, mineral oils, Mining of Iron Ore, Manganese ore, chrome ore, gypsum, sulphur, gold and diamond, Mining of copper, lead, zinc, tin, molybdenum and wolfram; minerals specified in the schedule to the atomic energy (control of production and user order), 1953 and Rail Transport.

There were more hurdles for the expansion which were placed by the Monopoly and Restrictive Trade Practices Act, (MRTP) in the form of threshold limit for the assets of these MRTP companies. Because of this restriction these MRTP industries were required to obtain prior approval of the Central Government for their expansion or for establishing any new unit. This 1991 policy removed these hurdles and the government amended the MRTP Act suitably.

Policy on Foreign investment and Technology agreements

The 1991 industrial policy drew out a list of priority industries in which high technology and high investment priority is required to be given. India being a developing country there were limitations for capital formation and hence has to be dependent on inflow of foreign direct investment. This policy introduced automatic permission availability for FDI upto 51 percent of foreign equity in these priority listed industries. This improved the FDI inflow and paved the way for inflow of latest technology along with the foreign capital inflow. The industries included mainly those industries which require high dose of capital e.g. metallurgical industries, electronic, food processing and entertainment industry, service sector like IT and BPO industry etc. Besides this the policy included those industries which are key industries for India's speedy economic growth.

The government of India in the year 1997 issued guidelines for speedy approval of the foreign direct investment in the areas which were not covered by the automatic approval. The list for foreign direct equity investment of automatic approval by the Reserve Bank of India route was further enlarged in the years 1997-98 and again in 1998-99. In a bid to attract FDIs the Govt. of India on the 9th May 2001, announced further concessions for FDI. So far as the pharmaceutical industry is concerned the Govt. of India allowed 100% FDI through automatic approval route. Similarly in respect of airports sector the Govt. of India allowed 100% FDI as against earlier stipulation of 74%. With a view to give boost to the tourism industry the Govt. of India further relaxed the restrictions on FDI from then existing 51 per cent to 100 percent through automatic approval route. So far as mass rapid transport proposals in the coming new township as against earlier stipulation of 51 per cent, 100 per cent FDI was allowed through automatic approval route.

1.6 INDIAN INDUSTRY PRIOR TO REFORMS (LIBERALIZATION, GLOBALIZATION AND PRIVATIZATION)

Prior to the liberalization of the Indian economy in the year 1991 there was certain protection from the Govt. of India in one form or the other to the Indian firms. Imports were restricted. Payment of royalty was under restriction which had adverse impact on the foreign suppliers to offer latest technology. There were several restrictions under MRTP and Foreign Exchange Regulation Act (FERA). The other restrictions were price controls; certain sectors were having barriers for multinational companies to establish their units in power, electronic, mining, infrastructure, aviation, oil, telecom sector and capital market restrictions. All these restrictions had an impact of importing the latest technology to India.

1.7 IMPACT OF GLOBALIZATION ON INDIAN INDUSTRY

After adopting the policy of globalization the Govt. of India initiated several steps and speeded up the process of integration of the world market. As a result, the Govt. had to remove the various barriers it had placed as discussed in the earlier paragraph. The policy of globalization could achieve trade in goods and services all over the world, movement of capital and the flow of finance. Thus the globalization resulted in the integration of the nation's economy with that of the Global economy. Since the entire world became one market place and there were no restrictions, it gave rise to the fierce market competition and the survival of the fittest became the rule of the day. If we look at the performance of the Small Scale Industries it was observed that these were playing a prominent role in the development of the Indian economy. It provided jobs to the millions and its exports were showing signs of increase. Because of the globalization there was adverse effect on the small scale industrial sector as the big companies started minting the benefit of the large production at lesser costs. This resulted in closure of number of SSI units in India.

However, the globalization has resulted in positive impact in certain industrial sector. The information technology, Business Process Outsourcing, pharmaceutical sector, petroleum and manufacturing sector were boosted and huge inflow of FDI and technology could be received. This had geared up the Indian economy to a great

extent. The liberalization paved the way for inflow of latest technology as well as the competition had increased considerably. The domestic industries were required to maintain high quality of their product to withstand the competition. Therefore, in number of domestic industries the quality improvement took place and there was greater awareness about the quality as well as to ensure the reduction of the costs of the product. Now the goods manufactured in India in number of companies are having excellent quality which can be compared with that of the world class manufacturers. The ultimate result of the fierce competition was in shrinking of the profit margins.

1.8 CATEGORIZATION OF INDUSTRIAL UNITS

a) Cottage, Village and Tiny industry

Pt. Jawaharlal Nehru while speaking about the Cottage and small scale industries stated that these are of very special importance in India. He further observed that although India lacks capital, it has abundant manpower and that it should be used to add wealth and employment.

The name itself focuses on the location of the industrial units which puts certain limitation on its size. The industrial activity is carried out near to their dwelling. The unit engages the family labour in it. In the rural area for want of employment opportunities the localites have to pursue this activity using locally available raw materials. Usually these units were producing home required products and the marketing was local.

The capital requirement of the Cottage industry was not much as it was using locally available skills and the raw material. This provided an opportunity to the family members to carry out the activity as a family activity to supplement their principle activity namely agriculture.

Before the introduction of the industrialization, the Cottage industries had an important role in providing employment. However, once the industrialization came in and the mass production with the use of machinery and power started naturally it had adverse impact on the Cottage industries and gradually these industries were closed down.

Nearly 67 per cent of the Indian population resides in the rural area. The main economic activity in the rural area is agriculture. Indian agriculture is mainly dependent on the monsoon. The rural youth do not get yearlong employment in the agricultural activity. There is a situation of disguised unemployment. Therefore there is a greater degree of migration from rural to urban all these years. On this backdrop the industrial sector provides full employment. Especially families which are pursuing cottage industrial activity they get supplementary income to make better living. Keeping this aspect in view the government of India is supporting the establishment of cottage industries by providing various subsidies and reservation of its products for govt. purchases etc.

b) Small Scale Industry

There is a phenomenal growth of the small scale industries after India's independence. The government in its five year plans accorded top priority in boosting the establishment of the small scale industries. Prior to the adoption of the economic reforms in 1991, the government had extended protection to the small scale industries to make them comfortable to compete with the large scale industries. Certain products were reserved for the production by small scale industries. The government purchases of certain goods were reserved for the small scale industries.

The Industries (Development and Regulation) Act, 1951 for the first time formally defined the term Small Scale Industry using the parameter of original investment in plant and machinery.

The small scale industries carry certain unique features. It's capital requirement is relatively less. It provides employment to the entrepreneur as well as to some others. Thus it generates employment opportunities. Because of the size, it helps decentralization of industries. The government had conducted study about the employment generation rate of the small scale industries. It was revealed that with an investment of Rs.1 lakh in capital goods it provides 8 fold more employment compared to the large scale industries.

This small scale industrial sector plays a pivotal role in developing the Indian economy. It accounts for nearly 40 per cent of the total production and its share in India's export is to the tune of 34 per cent.

Due to inflation and the prices of the capital goods were increasing. In order to ensure that the original investment in plant machinery to get qualified for being a Small Scale Industry, from time to time, the government amended the criteria of fixed investment. The following paragraphs depict as to how these limits were enhanced.

It has already been stated that the original criteria was Rs.10 lakhs for small scale and Rs.15 lakhs for ancillaries in 1975. This limit was enhanced to Rs.15 lakhs and Rs.20 lakhs respectively in the year 1980. Again in the year 1985 these limits were enhanced to Rs.35 lakhs and 45 lakhs respectively for SSI and ancillary units.

The year 1991 industrial policy raised this investment limit to Rs.60 lakhs for SSI and Rs.75 lakhs for ancillary units.

The government of India had appointed a committee under the chairmanship of Abid Hussain to review the performance of the SSI and Ancillary units. As per this committee's report in March 1997 the original investment in plant machinery limits for SSI and Ancillary were further raised to Rs.3 crores and for tiny industries it was raised to Rs.50 lakhs.

The new Policy Initiatives in 1999-2000 defined small-scale industry as a unit engage in manufacturing, repairing, processing and preservation of goods having investment in plant and machinery at an original cost not exceeding Rs. 100 lakhs.

The Planning Commission of India, for small scale industries uses the term "village and small industries" . This term encompasses small scale industry and the traditional cottage and household industry.

c) Ancillary Industrial Units

There are certain small scale industries because of their quality performance they get bulk order from the large scale manufacturers. They buy some of the components of their production from these SSI and enter into contract for minimum supply. Therefore, these units have an advantage of assured market for their production. To meet this requirement naturally they are required to invest slightly higher in their machinery. Therefore, to get the benefits of the Small Scale Sector, these units are allowed higher investment in plant and machinery. Those small scale industrial units which supply more than 50 per cent of their production to large scale industries and which forms a part/component of the large scale industry's finished product, are called as ancillary industry.

d) Small Medium Scale Enterprises (SMES)

It has been seen from the above discussion that the terms relating to small scale industrial activity have been changed from time to time. Currently a new term has been coined which refers to small scale industry as Small Medium Scale Enterprises.

Today, the SME sector is a backbone of the Indian economy and its share is about 45 per cent of the total industrial production. The share of SME's in the India's export is 40 per cent and it provides employment to over 60 million people. The job creation rate of the SME sector is also high at 1.3 million jobs every year and the range of the products of these SMEs is over 8000 quality production which are also forming part of the exports.

The government has estimated that the SMEs will provide about 12 million jobs in the ensuing 3 years. The annual growth rate of this sector is placed at 8 per cent per annum. Keeping in view the employment potential and its share in the exports, of this SME sector, the Govt. has offered several sops to this sector. The sops include provision of the required credit on the liberal terms and also according timely approval/sanction by banking sector.

The growth of the SME sector in India is attributed to several factors, to name a few, 1) funding of SMEs requirement by domestic and foreign institutions, technology used, facilitation of trade between buyer and the supplier, greater use of information technology etc.

As per the latest legislation i.e. “Micro Small and Medium Enterprises Development Act, 2006” the currently prescribed investment in Plant and Machinery is as follows:

Table 1.1 Manufacturing Enterprises – Investment in Plant & Machinery

Description	Indian Rupees	US \$
Micro Enterprises	Upto Rs.25 lakhs	Upto \$ 62,500
Small Enterprises	Above Rs.25 lakhs & upto Rs.5 crores	Above \$62,500 and Upto \$ 1.25 million
Medium Enterprises	Above Rs.5 Crores and Upto Rs.10 Crores	Above \$ 1.25 million upto \$ 2.5 million
Service Industries – Investment in Equipments		
Micro Enterprises	Upto Rs.10 lakhs	Upto \$ 25,000
Small Enterprises	Above Rs.10 lakhs & Upto Rs.2 Crores.	Above \$ 25,000 upto \$ 0.5 million
Medium Enterprises	Above Rs.2 Crores & Up to Rs. 5 Crores	Above \$ 0.5 million and upto \$ 1.5 million

Source: Micro Small and Medium Enterprises Development Act, 2006.

Following are some of the special features of the SMEs:

- ❖ Low level of investment
- ❖ Export earnings
- ❖ Operational flexibility,
- ❖ Limited mobility of the labour
- ❖ Capacity to develop indigenous technology,
- ❖ Import substitution
- ❖ Development of entrepreneurs.

The contribution of SMEs on the Indian canvas is worth praising. Its contribution to domestic production as well as the export earning is high.

1.9 LARGE SCALE INDUSTRIES

The term large scale industries have been defined by several authors using various parameters. Some have used the turn over criteria and some have used the employees employed and some have used the originally cost used in plant and machinery. There is no uniformity about these definitions at the world level. Now the term SMEs has been defined by the legislation of 2006. So far as Indian definition of Large Scale Industries is concerned, it can be defined as any industry which is larger than SME .

Large Scale Industries (LSIs) are those industries with investment more than Medium Manufacturing Enterprises, under MSMED Act 2006 and as shown in the earlier table. It is because of this rationale the researcher has followed this definition of the large scale industries for the purpose of identifying the large scale industries for this study.

Normally the large scale industries are capital intensive. These industries also require huge infrastructure and sizable man power. These large scale industries include iron and steel industries, textile industries, pharmaceutical industries, automobile industries, telecom industry etc. Presently the Information Technology industry is growing fast wherein the human capital is large. Therefore, these IT industries wherein the number of employees is large, are also termed as Large Scale Industries irrespective of their investment in plant and machinery.

1.10 MONOPOLY & RESTRICTIVE TRADE PRACTICES COMMISSION

In order to avoid concentration of economic power, in the past it was considered appropriate to have a quasi-judicial body to restrict such concentration of any particular company. Therefore, in the year 1969, through Monopolies and Restrictive Trade Practices Act, a Commission popularly known as MRTP Commission was constituted under the Department of Company Affairs.

The main function of the MRTP Commission is to enquire into and take appropriate action in respect of unfair trade practices and restrictive trade practices. The Commission is empowered under section 10(b) to inquire into such practices:

- (i) Upon a reference made to it by the Central Government or
- (ii) Upon its own knowledge or information and submit its findings to Central Government for further action.

1.11 DEFINITION OF HUMAN RESOURCES DEVELOPMENT

In business administration, Human Resources Development is a part of overall Human Resource Management. Various authorities have defined Human Resources Development in different ways. Prominent amongst them are : Warner and DeSimone – HRM Scholar. He defined it as: “A set of systematic and planned activities designed by an organization to provide its members with the opportunities to learn necessary skills to meet current and future job demands”.

In the year Haslinda-a gave a definition of HRD in 1964. This definition was in the form of a broader perspective. This definition explained HRD in relation to culture, the economy and social and political contexts rather than individuals and organizations. They defined HRD as:

“HRD is the process of increasing the knowledge, the skills, and the capacities of all the people, in a society. In economic terms, it could be described as the accumulation of human capital and its effective investment in the development of an economy. In political terms, HRD prepares people for adult participation in the political process, particularly as citizens in a democracy. From the social and cultural points of view, the development of human resources helps to people lead fuller and richer lives, less bound to tradition. In short, the processes of HRD unlock the door to modernization”.¹

¹ Harbison and Myers, definition of HRD, <http://files.eric.ed.gov/fulltext/ED504353.pdf>

“HRD is the integrated use of training and development, career development and organizational development to improve individual and organizational effectiveness” (McLagan).²

“HRD is organized learning activities arranged within an organization to improve performance and personal growth for the purpose of improving the job, the individual, and the organization” (Gilley and England),³

“HRD is the process of determining the optimum methods of developing and improving the human resources of an organization and the systematic improvement of the performance of employees through training, education and development and leadership for the mutual attainment of organizational and personal goals” (Smith)

1.12 EVOLUTION OF CONCEPT OF HUMAN RESOURCES MANAGEMENT IN INDIA

Since independence, in India there have been several changes in the personnel management and the approach of the organization. After the independence India adopted mixed economy model for its economic growth. There was coexistence of both private and public sector. Industries classification was broadly based on the ownership – whether private or public owned. Those types of heavy basic industries which were capital intensive were taken up in public sector as India being a developing economy the rate of capital formation was low and it was difficult to the private entrepreneur to mop up huge capital investment. In the large sector manufacturing industries the number of employees was quite large. The Indian Constitution has given several protections to the working class.

Alongwith the industrialization process, there was a growth of trade union movement which also protected the employees’ rights and interests. The trade unions

² Gary N. Mclean & Xiaohui Wang, paper titled, Defining International Human Resource Development, a Proposal.

³ McGuire, D., O'Donnell, D., Garavan, T. & Murphy, J. (2001): "Framing Human Resource Development: An Exploration of Definitional Perspectives Using Discourse Analysis", presented at the Irish Academy of Management Conference, University of Ulster, September 2001.

educated their members of their rights and in the organized sector; chances of employees getting exploited were remote. During 1970 – 80 decade the HRM department attended to the following functions:

- (1) Personnel and administration,
- (2) Industrial Relations, and
- (3) Labor welfare. The prescribed and assumed role was crisis driven or issue driven. (Chaterjee, 2006).

This period also witnessed the rise of managerial unionism. The white collar workers, though deprived of formal union rights, formed their associations and these associations started working as pressure group to obtain their demand settled by the management. This development paved the way for Associations of Managements again with the same objective to protect their interests. The industries concentrated on development of tools that would increase the efficiency and productivity of the employees. This development led to defining the work output, staffing pattern and productivity linked compensation / incentives.

Today, HRD in India has come out of infant stage but has not reached a stage of adulthood. For the first time, in India, in the year 1975, the first HRD department was established in Larsen & Turbo. Then in the year 1979, HRD department was established by State Bank of India – a large service sector organization, having the largest branch network and number of white collared employees. It had an integrated approach to HRD functions. Dr. T. V. Rao of Indian Institute of Management, Ahmedabad conducted a workshop on HRD and brought out a draft book on Designing and managing Human Resource System. Then after, number of organizations showed interest in establishing HRD department in their organization and now it has reached a stage that almost all the large sized organization this department is in existence.

As the time passed, the concept of HRD has undergone various stages of transformation. By mid seventy it started using motivational tools to build the competence. In 1980s, by and large motivational needs were fulfilled. Today, the role of HRD has been understood in right perspective by the organizations.

1.13 IMPORTANCE OF HUMAN RESOURCES DEVELOPMENT

Today, the Human Resources Development department plays a pivotal role in any organization. This is the most important department in every organization. It takes care of recruiting the people, maintaining benefits to the organization and at the same time takes care of the all important assets including the talent management for the organization.

There are various reasons for assigning a key position to the Human Resources Development department. The department takes care of all the employees of the organization through which the employees voice their views. It creates a bond of confidence between the employees and the management. At the same time it also takes care of the organization to ensure that the right type of employee is available for the right posting and that he/she devotes wholly and gives maximum output at the affordable costs.

1.14 SIGNIFICANCE OF HUMAN RESOURCES PLANNING

The importance of planning in every department cannot be undermined and the HRD department is not an exception to it. It is the objective of the HRD that there is uninterrupted supply of adequate number of qualified and motivated employees which are best suited to the job requirement. This requires proper planning, giving training input to the newly recruited employee and that they are introduced to the management's objectives, mission systems and procedures.

Importance of Human Resource Planning

Human Resource Planning is important for any organization in the following ways;

- ❖ Provides quality workforce,
- ❖ Reduces labor costs,
- ❖ Facilitates rise in skills,
- ❖ Effective motivation,
- ❖ Safety of health,

Reduces labor costs

The HRD dept. has to perform a tight rope walk as while gaining the confidence of the human resource it has also to satisfy the management. Particularly in today's marketing scenario when there is a fierce competition in the market, in order to ensure that the cost of production is kept at low level it has to ensure that the labour costs are to the extent possible at low level.

Facilitates rise in skills

The employees recruited by the organization are required to be oriented and introduced to the organization's policies, culture, practices and procedures, mission of the organization etc. for which the HRD dept. should organize proper training to the employees and ensure that their skills are sharpened on continuing basis.

Effective motivation

Fully motivated employees are invaluable assets to the organization. Through various techniques the HRD dept. has to ensure that the employees are fully skilled as well as fully motivated so that they will give their full potential to the organization. It has to innovate on continual basis incentive schemes of various kinds to ensure that the employee's motivational needs are fully met. Motivational tools are not necessarily monetary all the time. Even for achieving motivation job satisfaction environment, recognition of the individual achievements, appreciation etc. are also important from the employee's point of view.

Safety of health

Ensuring health care of the human resources receives the top most priority of the HRD dept. Only when the employee and his family's health care has been taken by the organization, the full potential of the employees can be drawn. For this purpose the HRD Dept. takes every care for safety of the human resources

1.15 IMPACT OF GLOBALIZATION ON HR PRACTICES

India became the founder member of the WTO and adopted policy of globalization, liberalization and privatization in the year 1991. This made the entry of foreign direct investment possible in a phased manner due to which number of

multinational organizations came to India and established their manufacturing / research and development and back offices in India. Along with this these multinational companies also brought the modern technology as well as various latest management practices including the Human Resources Management practices. Not only for the trade but also for human resources the entire globe became a market place. Lots of Indians are now working in various countries in various key positions and also lots of foreign nationals have been inducted in the Indian companies and are working in India. The whole canvas of the Human Resources Development has undergone a sea change. It has received a global dimension. This led to the complex role of the Human Resources Department as they have to take into account various factors in handling their day to day functions.

The origin of the concept of “BEST HR PRACTICES” lies on this background. In order to ensure that there is no attrition of the talented employees, the HRD organizations has to be on its toes to innovate various HR practices that will interest the talented people to continue with the organization. The best HR practices according to its dictionary meaning are the recognized methods of correctly running business or providing services. “Best practice is a method or technique that has constantly shown good results with other means and that is used as a benchmark”.⁴

“A practice which is most appropriate under the circumstances, especially as considered acceptable or regulated in business; a technique or methodology that, through experience and research, has reliably led to a desired or optimum result”.⁵

Thus the HR department is expected to be pursuing the identification of the Best HR practices without much involving the costs and at the same time improving the morale of the employees. The HRD should also ensure that the human resources remain motivated all the time for attainment of the corporate goals. E.g. provision of various acceptable fringe benefits to the employees, providing a well drawn career path etc.

⁴ <http://www.businessdictionary.com/definition/best-practice.html#ixzz30Mb0fLWT>

⁵ Collins English Dictionary –unabridged edition 2009

Therefore, we can say that the globalization has brought in the positive approach to the functioning of the Human Resources Development dept. Not only this phenomenon is restricted to the multinational companies but also the domestic companies have adopted those with some little changes here and there to suite their staff expectations. Indian companies are also deputing their staff to overseas sites for onsite assignments and these employees also give feedback to their management about the work environment and the various facilities the employees get there. This feedback is useful to the HRD dept. to assess the possibilities to adopt similar facilities in their company. HRD dept. has to perform a balancing act as it has to satisfy the management and the human resources at the same time.

1.16 STRATEGIC HR MANAGEMENT

The strategic HR Management address the attainment of the organizational objective and at the same time meeting the expectations of the employees on various fronts. HRD has to perform a skilful job of undertaking the compensation negotiations, training and administration etc. It also provides various incentives, safety procedure and other routine aspects such as framing of leave rules and administering those.

Strategic human resource management is a proactive management of people. It involves planning for achievement of company needs of human resources and meets those well in time. It involves in improving the hiring practices, training programmes, enforcement of discipline and development of work culture conducive for the attainment of the company goals.

1.17 OBJECTIVES AND GOALS OF HUMAN RESOURCES

Today, in order to remain in business and achieving growth the organizations are using modern technology not only in the manufacturing sector but also in the services sector. Therefore the need of the hour is to have skilled and competent employees. There is a shift in demand for skilled and competent workers as well as managers. Therefore, HRD Dept. has to develop and design new tools for the proper recruitment, training and formulating the policies for employee retention. The success of the HRD dept. lies in ensuring that there is very low attrition of the talented

employees and that the staff at all levels remains motivated to offer best potentials they are having.

The Goal of HR Management is usually simplified as “right people at right places”. The “at right time” should be added as well. This simplified goal represents the complex system of HR processes, which have to be aligned to allow the skilled work with employees and managers in the organization.

The **HR Management** consists of several areas and the key goals are defined for each of them:

- Organizational Effectiveness
 - Human Capital Management
 - Knowledge Management
 - Performance Management
 - Compensation Management
 - Employee Relations
-
- ❖ In modern organizations organizational effectiveness is a key requirement. Survival of the fittest is the order of the day. One who can withstand with the current competition and ensure achievement of the organizational goals will help the organization to function effectively.

 - ❖ In the current scenario where there is a constant increase in the demand for the quality and skilled staff the HR department has to accord top most priority in the knowledge management and the other aspect associated with it is the compensation management. This is very crucial when there is flight of skilled talent from one organization to the other.

 - ❖ The HRD dept. has to perform one more crucial job and that is the performance management. This is important from both the sides. From the management side attainment of the targets set out for achievement are important and for the employees their performance is also required to be assessed using well designed assessment system. Such a system should be impartial, unbiased and based on the actual performance and using scientific

method which is also acceptable to the employees. This confidence of the employees that there is a fair assessment of the performance goes a long way in ensuring employee turnover.

- ❖ The HRD dept. has to ensure that the employer and employee relations are always cordial and healthy. Both of them should have confidence in each other which will be an enviable environment. Satisfied employee is an asset to the organization. This should be recognized by the management in true spirit. At the same time the employees should also be considerate towards management's approach when there is a full transparency.

1.18 FUNCTIONS OF HR

The HRM Executive assumes the staff position at the corporate office. The direct handling of people is usually attended to by the line managers. The functions and the responsibilities of HR have been listed hereunder:

1. Right person is placed at the right job.
2. Employee's induction and orientation
3. For those employees who are new to the job they are required to be trained.
4. Ensuring improved job performance of each employee.
5. Soliciting cooperation from the employees for smooth running of the organization.
6. Interpretation of the company's policies and procedures.
7. Containing the labour costs.
8. Developing abilities of each employee.
9. Ensuring high morale of the employees.
10. Take health care and physical conditions of all the employees.

In providing this specialized assistance, the human resource manager carries out three distinct functions:

A line function: The Human Resource Managers provides direction to the employees in his /her own department .

A coordinative function: The HR Managers has to use his functional authority and exercise coordination amongst the various departments of the organization.

Staff (assist and advice) function: The most crucial job that the Human Resources Development Manager has to attend is to assist and advise the line managers. He understands the personnel aspects of the company's strategic options, and briefs those to the Head of the Organization. He renders assistants in hiring, training, evaluation, rewarding, counseling, promoting and also firing the employees. The HRD manager has to remain always upto date as to what is happening in the similar organization which information helps him to decide the HR policies.

In large organizations the HRD has following specialists in the department:

1. **Recruiters:** Search for qualified job applicants.
2. **Human resource development specialist:** Manage employee development activities in an integrated manner.
3. **Engagement and fun specialists:** Ensure that the workplace is fun-filled and enjoyable.
4. **Employees' welfare officer:** Take care of welfare amenities for employees prescribed by law or otherwise.
5. **Job analysts:** Collect and examine information about the job descriptions.
6. **Compensation managers:** Develop compensation plans and handle the employee benefits program.
7. **Training Specialists:** Plan, organize, and direct training activities.
8. **Employment/Industrial relations specialists:** Advise management on all aspects of union-management relations.

1.19 THE ROLE OF HR MANAGER

The primary objective of HRM is to ensure the availability of a competent and willing work force to an organization. HRM objectives are fourfold: societal, organizational, functional and personal.

- ❖ The HR Manager has to ensure that the organization attains to the social requirements, i.e. enforcement of laws relating to the employees, reservation, discrimination etc. It also encompasses legal compliance and rationalizing the benefits and staff relations.
- ❖ By performing the duties the HR Manager assist the organization to reach its primary objective. This includes human resource planning, employee relations, selection, training and development, appraisal, placement and assessment.
- ❖ The performance appraisal, placement, and compensation finalization are covered in the personal objectives of the HR Manager. The HRM has also to ensure that the while satisfying the personal goal the cost to the company should not be kept aside.

1.20 INTRODUCTION TO CONCEPT OF BEST HR PRACTICES

Definitions:⁶

Usually the Best HR Practices are set forth by an authority, such as governing body or management, depending on the costs involved. Normally the Best HR Practices are the recommended course of action.

Any practice devised to increase the competence, commitment and improve the culture building can be termed as HR Practice, and this can be in the form of a norm, rule, system, or some practices.⁷

Following are the few examples of the best HR practices:

- ❖ HR Executive greeting / wishing the employee on his/her birth day or marriage anniversary day.
- ❖ Provision for health care / regular medical check up, reimbursement of the hospitalization expenses including those for the family members.
- ❖ Providing babysitting facility.

⁶ http://www.investopedia.com/terms/b/best_practices.asp

⁷ <http://www.talentnet.vn/information-center/hr-articles/best-hr-practices>

- ❖ Provision for granting special allowance if the employee attends office on his/her birth day.
- ❖ Updating the employees of the organization about the organization's policies and latest policy decisions, performance through an internal house bulletin. (Ensuring transparency).
- ❖ Highlighting the achievements of the employee and his family members through the house bulletins.
- ❖ Job rotations to remove the monotonous feeling.

The best HR practices differ from company to company as the composition of the human resources is different and the expectations of the employees also differ. Therefore, the HR Manager has to carefully study as to what the employees expect from the company in the form of Best HR Practices.

Factors that influence Best HR Practices

Communication

According to the employees good communication should be broad based and clear and at the same time it should be in the language known to the employees. The HR manager should provide an opportunity to the employees at periodical intervals to voice their suggestions to improve upon the working of the organization. A patient listening of these suggestions by the management builds confidence of the employees.

Continuous Improvement

The concept of improvement is a dynamic concept and not a static one. It should be an ongoing exercise. This enables the employees to bring out their hidden talent.

Risk Taking

In terms of economics, profit is the reward for risks. Therefore, the management should encourage the employees to take calculated risks. There should be an atmosphere congenial to take calculated risks.

Recognition

The employee's initiative will come only when the management is willing to recognize the employees suggestions based on cost benefit analysis. The recognition provides motivation to the employees.

Work life balance

This is an important aspect of handling human relations in business. Some companies celebrate the birthdays of the employees and extend invitation to the employees to participate in it. Else when the employee is being recognized or an award is being given the employee's spouse is also invited. Some companies have started Kids clubs for the employee's kids.

Cultural Consciousness

This is a very vital aspect of HR Management. The organizations are currently very much concerned about maintaining high level of organizational culture. Number of schemes is formulated for this purpose. On the company's foundation day the company organizes an opportunity to all those who contribute to the success of the organizational culture, i.e. An opportunity is provided to the Employees, Management and the prominent customers of the organization to share their views which go a long way in framing the future strategy of the organization.

Training & Development

In the companies while undertaking annual performance appraisal exercise, the employee's training needs are also assessed and arrangements are made to provide training in those areas so that his/her utility to the organization enhances. Companies now consider the expenditure on training as investment and naturally they are also concerned with the return on this investment.

Recruitment

Today the old practice of obtaining employees referral for the recruitment of the vacancies in the organization are solicited and those are given due weightage. This also acts as a motivational tool for the employees. On the final selection of the employees some of the companies have introduced a practice of congratulating the employees parents. (e.g. Max New York Life Insurance Co.). Companies also provide

opportunities to the internal employees to compete with the outsiders while filling up the higher grade positions in the organization.

In order to enable the prospective to decide joining the organization or otherwise, in some companies the list of Best HR Practices that they observe are also briefed. The best practices may be financial or otherwise. Similarly in the Human Resources department the best practices may focus in bringing out the hidden talent of the employee along with his commitment for the job. The best H.R. practices may cover various aspects of HR such as recruitment, training, promotion, compensation, motivation etc.

The principle objective for the introduction of the Best HR Practices is to ensure that the organization achieves the targets set out by it. This is very vital issue as far as the organization is concerned. The best HR practices enable the employees to offer their best hidden talents to achieve the targets set out by the organization.

The role of the HRM executive or the manager assumes greater importance. Apart from the educational qualifications the HRM executive should have excellent leadership qualities which have greater bearing on the organization's performance.

The best HR practices should be more transparent, flexible, and those should depict the management's philosophy of taking utmost care of its human resources. These aspects of leadership enables the employees that they identify themselves with the organization.

The objectives of initiating best HR practices are:

- ❖ It goes beyond employee satisfaction and gives the employee delight.
- ❖ It creates a feel of good factor.
- ❖ It achieves focus impact.
- ❖ It adds to the creativity of the employee.
- ❖ It improves the organization culture.

Worldwide in various sectors of industry and business the best HR practices have been proved to be successful in achieving the desired goal.

1.21 SUMMARY

The industrial sector plays an important role in the economic development of India. India has a rich historical background of industrial development. The government of India has rightly recognized the role of the industry and has provided support for its development on sound footing. From time to time the Govt. has rightly modified the definition of the industries and have adopted policies which are congenial for its sustainable development on sound footing. The Central as well as the State Govt.s have recognized the need for development of industries and removing the regional imbalance.

For the couple of years in the manufacturing sector automobile, forging, pharmaceutical, gems and jewelry industries are doing well. In the services sector, Information Technology, Business Process Outsourcing, etc. are also faring well and progressing. Because of the nature of work these industries have, the manpower that they require need to be trained and motivated. This has added the importance of the Human Resources Development Department.

After the adoption of the policy of globalization the entire canvas and the perspective of the human resources development has been thoroughly changed. There is a cut throat competition and the profit margins are shrinking. This has led to give thrust on the reduction of the cost of production / services. Initially the attrition rate in the above named industries was quite high due to entry of number of new industries in those sectors. However, over a period this attrition rate has been arrested and it is now getting stabilized at low rate. This has been possible because of the policies pursued by the Human Resources Development dept. for retaining the talented employees.

Now the industries in the large manufacturing as well as service sector have very well recognized the importance of the Human Resources Development Dept. Accordingly these departments are pursuing policies which ensure availability of talented, skilled and fully motivated staff at the required number. It has been well recognized that the satisfied employee is an asset and accordingly every care is being taken by the organizations. The process of innovating best HR practices will be an ongoing process and it will continue in times to come.

CHAPTER II

RESEARCH METHODOLOGY

2.1 INTRODUCTION

HRM scenario prior to reforms in 1991

Prior to commencement of the reforms in 1991, India was pursuing a shortsighted policy under the guise of self reliance, and had blocked out the rest of the world in the manufacturing and services sectors. Through licensing and centralized planning, and heavily relying on the bureaucratic controls, there were several restrictions on the business capacity of the units, their location, choice of raw material etc. Through Monopolies and Restrictive Trade Practices Commission (MRTP) it had also kept control on corporate takeovers and mergers.

The State had reserved core sectors for itself and played a vital role in the industrial development of the country. There were number of laws and regulation to enforce its authority and to influence them. This period was used to be referred to as “License Raj”. The Government had controlled the collective bargaining in the Public Sector. There were restrictions for the entry of the multinationals and they can enter only after the Govt. Clearance is obtained. The Human Resources function was considered to be a controlling function. It was aimed at enforcing discipline and there were punitive actions for non compliance of the systems and procedures. Today, such an approach is considered to be an abnormality.

Impact of globalization

Globalization is the process of denationalization of markets, at political and economic level and the use of so called global economy. Globalization breaks the national borders of the similar market forces that have been in force for years together. The entry of the multinational was facilitated by the reforms process and thereby number of multinationals were established in India. These multinationals were from various sectors of economy, i.e. banking and finance, manufacturing, service sector etc. The multinationals were new to the Indian scenario so far as the HR management is concerned. They were not fully aware of the Indian laws as well as the

attitude of the managements and HR practices then prevailing. There were several differences in respect of compensation, fringe benefits, incentives, motivational tools used, management styles, etc.

After adoption of the policy of globalization, liberalization and privatization, number of multinational companies entered on the Indian industrial canvas. These companies were using latest technology for production as well as extending services and their cost of production was low and hence these companies increased the competition to the domestic companies. These multinationals were adopting HRM practices which were altogether new to the Indian industries. The Human Resource is the most important asset for any organization and it is the source of achieving competitive advantage. Managing human resources is very challenging as compared to managing technology or capital and for its effective management, organization requires effective HRM system. HRM system should be backed up by sound HRM practices. HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals.

2.2 THE IMPORTANCE OF HUMAN RESOURCES MANAGEMENT IN MODERN ORGANIZATIONS

The success of any organization does not depend solely on market realities and sustainable competitive advantage. The success also lies on the utilization of the human capital which is an important asset of the organization. The statistical presentation demonstrates the success of any organization in quantitative terms. But the success is also dependent on the qualitative aspects of the human resources management. If those are used positively and skillfully success is there, but if there is any laps in handling these human relations no one can stop the failure.

The management of the human force of the organization strategically is the Human Resource Management. The employees individually and collectively contribute to the success of the organization. Each individual has his own goal and dovetailing of the said goal smoothly with that of the organization is the job attended to by the Human Resources Management Department. The objective of the HRM

department is to enlist the commitment of the employees for achievement of the organization's goals.

The function of the HRD is to attract, retain, and develop through training input so as to achieve the corporate goals. The HRD dept. provides a link between the employees and the management. For this purpose the HRD dept. should assess the needs of its employees and find out how best these needs can be fulfilled within the overall framework of the organization. The HR Dept. should ensure that the employees get wholly involved in the organization of their own. For this oneness the HR should create an atmosphere that the employees develop this attitude. Various motivational tools are required to be used to have sustainable retention of their interest.

In today's modern organizations the HR functions are not attended to in isolation but in communication with the General Management. It is not an individual's decision but the decision is the outcome of the strategic consensus.

The main goals / responsibilities of HRM are:

- ❖ To retain low employee turnover rate by inspiring people to work for the company
- ❖ To attract new employees
- ❖ To contribute to employee development

The Human Resources Department imparts training to the employees and also motivates the employees by bringing out to them the ethical policies and socially responsible behaviour. It shares the organization's problems in providing solutions to increase their efficiency, in such a way that there is no bitterness amongst the organization and the employees.

In today's competitive world, the success of the organization solely depends on the utilization of the full potential of the employees for which the HR Department makes all out efforts. Some companies fail to recognize the importance of the human capital for the successful operations. Even a few top ten companies took a long time to understand the importance of the human capital in the organization.

The HR Department is continually faced with the challenges and they have to find out solutions to the satisfaction of the concerned employees. It not only works for quantitative achievement but also for qualitative achievement and enriching the organizational culture.

Effect of competition on Human Resource Management

As is stated earlier that after the globalization there has been emergence of the fierce competition not only in the domestic market but at the international market. This has impacted the HR policies to a great extent. Various surveys carried out by different organizations have revealed the following prominent changes:

- 1 When there is a competitive situation naturally every organization tries to contain the cost and to keep the prices of their product to the minimum possible level. In the process the organization tries to save on manpower costs which continue to go up over the period. In such a situation the HR Department plays a key role to achieve the management objective.

- 2 In the case of joint ventures the professional predict and manage culture fit policies. Organizations are more particular in right profiles and who are more capable.

- 3 In order to get optimum from the employees there is greater thrust on training and retaining talented employees.

- 4 Now in order to retain the competent employees the organizations are drawing out a well developed career path which assures the employees that they will get higher position on achieving certain pre-decided targets. Here it is important to note that employees do not solely work for compensation but also for the position in the organization.

- 5 Companies are currently accepting retail talent and redeploy manpower whenever necessary.

- 6 Because of the sincerity and hardworking character of the Indian workers, there are number of foreign companies they are recruiting Indian employees on preferential basis. Of course this has lead to growth in attrition rate and the retention of the competent employees becomes costly. In order to solve this problem the HR departments are not trying to fix up bench marking for salary revisions for specific industries
- 7 As a consequence of the globalization there is inflow of foreign managers in India. This has resulted in greater mobility even at international level. As a result of this the HR department is expected to be in known of HR practices followed worldwide.
- 8 This has lead to the redefining the roles of various functionaries.
9. Lastly it has been observed that the HR departments are innovating Best HR Practices to keep ahead of their competitors.

Best HR Practices and its impact on the organization

Needless to say that for any organization achieving the Corporate Goal and the market share targets is the prime concern. In order to achieve this it is essential to enhance the competencies, commitment and building of sound culture. The HR Department has a key role to develop certain systems, process, and formulate rules and regulations to achieve the appropriate organization culture which will be healthy and the employees on their own will offer their commitment to the organization.

Any practice that deals with enhancing competencies, commitment and culture building can be considered an HR practice. The practice can take the form of a system, a process, an activity, a norm, a rule an accepted or expected habit, or just a way of doing things. HRD has been defined as essentially consisting of these three Cs:-

- ❖ Competencies
- ❖ Commitment
- ❖ Culture

All three are needed to make an organization function well. Without competencies many tasks of the organization may not be completed cost effectively or with optimal efficiency. Without commitment they may not be done at all or are done at such a slow pace that they lose relevance. Without an appropriate culture organizations can't live.

Competency is not an individual trait but it is a team related one. It may be for pairs of individuals or teams or informal groups that emerge from time to time in different work situations. Competencies are also dependent on various factors such as level of advancement of technology, skills of the workforce, management's approach. Therefore, there should be comprehensive approach to ensure that all out efforts are made on all fronts to achieve highest efficiency and increasing the competency.

In order to achieve the high commitment lots of efforts have to be put in. Motivation at high level creates an atmosphere which is conducive for development of work culture amongst the employees. Commitment building is an ongoing process and gradually it becomes habit. There should be proper system of rewards and recognition to inculcate work culture.

The continuity of the organization on the long term basis depends upon the work culture cultivated in the organization. The employees should feel about being a member of the organization/ team which is fully motivated and contributing its mite for the achievements of the set corporate goals. This can be achieved through properly development of the Mission Statement, Vision of the organization, conducting workshops for morale development, motivation, personality development etc.

Here it will be in the fitness of the things as to what are best HR Practices? Best HR practices are those which contribute to one or all the three C's i.e. Competency, Commitment and Culture. These are of the prime concern for the organization. For this HR department has a role to play. They have to identify from time to time, the HR practices which will enable achievement of these three Cs. This identification of best HR practices is an ongoing process in itself as these changes day in and day out.

Impact of Best HR practices

There are number of case studies to show that there is a relationship between the best HR practices and the organizational effectiveness. Even for motivating the HR Department staff there are National HRD Network and Confederation of Indian Industries (CII) awards for outstanding HR Practices.

It has been observed that these awards have been bagged by those companies which have faced turbulent environment and despite this they have achieved the awards. Almost 90 per cent of the awardees are from this category. This could be possible because of the introduction of Best HR practices followed by these organizations.

Most of these companies exhibit the following characteristics:-

- 1) These companies are capable to have smooth change over of the leadership.
- 2) These companies have adopted the new changes that have come in their way. These companies have grabbed these opportunities of liberalization to their benefit.
- 3) All these companies have after the liberalization, focused on the customer orientation which is the secret of their success.
- 4) Managing the change in the organization is a typical problem faced in every organization. If the change is accepted with an open mind the success is there. For this, organizations are now a days even conducting training programs for their staff.
- 5) All these companies have combined the personnel and HRD function. They have integrated well the personnel and HRD functions.

2.3 SIGNIFICANCE OF THE RESEARCH TOPIC

From the above discussion about the new dimension to the HRM practices that has come to stay in India after the introduction of reforms in 1991 it is evident that the adoption of new strategy to deal with the HRM functions has assumed greater importance. Lots of new facilities are being made available to the employees which they had not even thought of earlier. In order to sustain the growth the industries are required to adapt to the new HRM policies and ensure that the organizations derive the benefit of the Best HR practices in improving the quality as well as reducing the cost of production / services to achieve the corporate goal of achieving more market share and the profits.

It is in this context the researcher has felt it appropriate to study the change that has taken place in handling the human resources development by the Large Scale Industries located in Pimpri-Chinchwad corporation area which has a prominent presence of large-scale industries of all types. There are multinational as well as domestic large scale industries. There are manufacturing as well as service sector large scale companies in this location. On this back drop the significance of the research topic has been highlighted. The study would be quite useful to the managements of the today and tomorrow's large scale industries.

2.4 A) OBJECTIVES OF THE STUDY

Keeping in view the research topic the researcher has formulated the following objectives for this research:

1. To analyze the HR practices currently used by the identified industries.
2. To study the Best HR practices in vogue subsequent to the opening of the Indian economy (liberalization/ globalization/ privatization).
3. To study the impact of best HR practices on employee satisfaction.
4. To identify potential areas in achievement of employee satisfaction using the best HR practices and to suggest possible solutions.

2.4 B) JUSTIFICATION OF OBJECTIVES

After the introduction of economic reforms in India since 1991, the entire picture of the labour market at least in certain centres like Pune has undergone a sea

change. Pune has become automobile hub as well as information technology hub. As a result multinational companies have opened up their manufacturing / research and development units in and around Pune. These industries have not only brought technology to India but also their Human Resources Development practices. This has also a bearing on the HR practices followed by the domestic companies either in manufacturing segment or in information technology segment. Therefore, the researcher considered it appropriate to undertake the study of HR practices being followed by the industries identified for this study and to analyze those practices. This is the rationale for identifying objective No.1.

As stated in the earlier paragraph, after 1991, the concept of best HR Practices have come to India. Now human resources development department is constantly innovating new HR Practices to ensure that the employees of the organization, in whose selection and grooming lot of money, time and effort has gone in, continue to work with the organization. These HR practices keep the employee attrition rate to minimum. Therefore, the researcher has considered studying these Best HR Practices newly introduced in the Indian industries. On this backdrop the researcher has formulated this objective number 2.

Retention of the employees who are the costly assets to the organization is big task before the HRD department. Introduction of the best HR Practices also involve costs. And hence impact of Best HR practices on employees' job satisfaction also needs to be studied. Satisfied employee is an asset and the managements have to study the impact of these practices on the employees and ultimately the benefit organization derives from it.

Naturally while study the above three objectives there will be lot of input available to the researcher. Some problems will come to surface and as a research scholar some solutions may emerge to address these problems. Hence the researcher has formulated the last objective.

2.5 A) HYPOTHESES

The researcher has framed the following hypotheses for this research:

- H₁ There is positive impact of the best HR practices on the employee satisfaction and efficiency of the employees.
- H₂ The application of best HR practices has a bearing on the quality of production/ services.
- H₃ The application of best HR practices reduces the attrition rate.
- H₄ The employee satisfaction results in cordial employer – employee relations.

2.5 B) JUSTIFICATION OF THE HYPOTHESES

Success of the management is dependent on the cost benefit study of each of its actions which has impact on the profitability of it. Introduction of the best HR practices will certainly entail benefits which are in the form of employee satisfaction and in turn its impact on the efficiency of the organization. In an organization where best HR practices are introduced the attrition rate is very meager. Therefore the researcher has formulated the hypothesis number one as stated above.

As stated earlier a satisfied employee is an asset and such employee give full commitment to the organization. Naturally this is reflected in the improvement in the quality of the product and the services rendered by such a devoted employee. In order to test this statement the researcher has formulated this hypothesis number two.

The researcher wanted to study the direct relation between the introduction of best HR practices and attrition rate. Therefore this hypotheses is to be tested through this research. Hence framed this third hypothesis.

Needless to say that the job satisfaction has its impact on the employees' satisfaction. This employees' satisfaction in turn has a positive impact on the employer – employee relationship. Usually in such an organization relations are cordial. There are less number of employee grievances. Management is keen in ensuring employees' welfare. The researcher therefore formulated this hypotheses which has been tested in this research.

2.6 RESEARCH UNIVERSE

Large Scale Industries refer to those industries which require huge infrastructure, man power and a have influx of capital assets. The term 'large scale industries' is a generic one including various types of industries in its purview. All the heavy industries of India like the Iron and steel industry, textile industry, automobile manufacturing industry fall under the large scale industrial arena. However in recent years due to the IT boom and the huge amount of revenue generated by it the IT industry can also be included within the jurisdiction of the large scale industrial sector. Last but not the least the telecoms industry also forms and indispensable component of the large scale industrial sector of India. Indian economy is heavily dependent on these large industries for its economic growth, generation of foreign currency and for providing job opportunities to millions of Indians.

Large Scale Industries (LSIs) are those industries with investment more than **Medium Manufacturing Enterprises, under MSMED Act 2006** and as shown in the table No. 1.1 in chapter I. It is because of this rationale the researcher has also followed this definition of the large scale industries for the purpose of identifying the large scale industries for this study.

The researcher has decided to restrict his research to the large scale industries located in Pimpri-Chinchwad Corporation area. The area is quite vast and there are following industrial locations established by the Maharashtra State Industries Development Corporation which provide all the infrastructural needs of the industrial sector.

- a) MIDC – Bhosari
- b) MIDC – Hinjewadi
- c) MIDC – Pimpri
- d) MIDC – Chinchwad

Apart from the large scale industries which are located in the MIDCs, there are few large scale industries which are outside the MIDC industrial estates. E.g. TELCO, Sandwik, Vulcan Laval, etc. Bajaj Auto etc. In view of this the researcher

has carved out his research universe restrict it to the large scale industries in the Pimpri-Chinchwad Corporation area.

2.7 DATA COLLECTION

Data Collection

In the first stage, with due permission from the senior management, the researcher visited a few identified large scale industries in Pimpri –Chinchwad area and got himself acquainted.

Semi structured interview is chosen as an instrument for this research because it involves a series of open ended questions based on the topic area. The open ended nature of the question defines the topic under investigation but provides opportunities for both interviewer and interviewee to discuss some topics in more detail. If the interviewee has difficulty in answering a question or provides only a brief response, the interviewer can use prompts to encourage the interviewee to consider the question further.

In a semi structured interview the interviewer also has the freedom to probe the interviewee to elaborate on the original response or to follow a line of inquiry introduced by the interviewee.

The employees will be asked to share their experiences in relation to various HR practices in their respective companies.

Discussion Themes

- ❖ Background to the organization and to the interviewee (Employee/line manager).
- ❖ Discussion about the expectations of employees from their organization/s.
- ❖ Discussion about the experiences of employees. in relation to HR practices in their respective organizations.
- ❖ Discussion about the relevance of these unique HR practices in Indian Context.

- ❖ Discussion about changing/adding anything to the existing HR practices for improvement.

Primary Data

The primary data has been collected in two stages. The first one refers to the data to be collected from the Heads of the HR Departments of the identified industries with the use of pre formulated questionnaire. In the second place the researcher has thought it appropriate to collect primary data from the employees and the staff of the identified industries. This data collection from the employees helped to cross check the implementation of the HR policies and how it is received by them.

Secondary Data

The secondary data has been collected from the related literature on various books, committee reports, journals and periodicals, news papers articles, research papers, previous research and websites. Pune being educational hub lots of libraries are available and therefore the availability of the reading material did not pose any problem.

Period covered by this study

This research covers the period financial year ending 31st March 2007 to 2012.

Limitation of the data

There is a sort of limitation of the data and that is non availability of the data prior to introduction of the Best HR Practices. This is because of the following situation.

Prior to globalization India was having a massive unemployment, particularly of those who have been graduated in various disciplines. The employment situation was rather grim. However, in 1991, when the Indian government adopted policy of globalization, liberalization and privatization and started taking effective steps to ease the situation for inflow of foreign direct investment and entry of multinational corporations in the various fields the employment started moving favourably. Number of multinational corporations in manufacturing and services sector opened their either

manufacturing plants / assembling divisions / Business Process Outsourcing outfits in India. Though in the initial stages the process was rather slow however in about 5 years time the situation was favourably changed paying the entry of number of new MNCs.

Therefore, prior to 1991 in India there was lot of unemployment and not much employment avenues were opened and the attrition rate in all the then companies was more or less within a reasonable level. However, after the globalization, the employment scenario in India particularly in the organized sector changed favourably. Numbers of job opportunities were available. New MNCs were establishing their units, the IT sector was flourishing and hence the employees were tempted to switch their jobs to the new companies offering better terms. This sort of approach paved the way for employees' turnover started assuming concern by the managements. The Human Resources departments of these companies had to address with full focus this problem of attrition of the employees. In this pursuit these HRD departments started on a continual basis innovations to take care of the retention of the talented employees. This further gave rise to the introduction of Best HR Practices.

On this backdrop there is no data available for the period prior to starting employees' attrition in India. Hence the above background has been incorporated in the thesis at the preamble.

2.8 SAMPLE SIZE

Working out the sample size was a very complex activity. Therefore, the researcher obtained the data on the number of large scale industries located in the MIDC industrial estates. He also collected the data on the Large Scale industries located in Pimpri Chinchwad Corporation but outside the MIDC industrial estates. The picture that emerged was as under:

Table 2.1 : Data relating to the Large Scale Industrial units in the Pimpri-Chinchwad Corporation area

Position as on 31st March 2011

Sr. No.	Location	No. of large scale Industries
1	Bhosari MIDC	9
2	Pimpri MIDC	} 26
3	Chinchwad MIDC	
4	Hinjewadi – IT Park	19
5	Large scale Industries outside the MIDC area	7
	Total number of industries	61

Further these industries were broadly classified on the basis of their activity:

Table 2.2: Activity wise Broad classification of the industries.

Manufacturing Units	37
Services sector units	24

In order to have a cross section of the industries for the study purpose the core activity like – Automobile industry, IT industry, etc. of the unit was also taken account. In order to have better understanding the best HR practices followed by the Multinational industries also found place in the industries identified for this research. This enabled to compare the best HR practices that are being followed by the domestic large scale industries.

Thus finally the following sample of Large Scale Industries has been identified for this research:

Table 2.3 : Identification of Large Scale Industries

As on 31st March 2011

Sr. No.	Name of the company	Classification details	Management Domestic/ MNC
Manufacturing Industries			
1	Tata Motors: Pimpri-Chikhali, Chinchwad	Automobile: Mfg. of Commercial Vehicles	Multinational organization
2	Kirloskar Oil Engines Ltd.	Bearing Manufacturing activity	Domestic Mfg. Co.
Services Sector Cos.			
3	Cognizant Technology Solutions Ltd.	IT Service Industry	Multinational Organization
4	Tech Mahindra Ltd.	IT – Service Industry	Domestic

Being a large scale industry the operations of the companies identified for this study are spread over in number of locations. These companies are having a well developed and equipped Human Resources Department. For the purpose of this research employees are divided in three broad categories as under:

- 1) Employees from Senior Management Cadre
- 2) Employees from Middle and Front level management Cadre
- 3) Employees who are the workmen and have their own trade union.

With a view to compile data we have identified staff from each cadre and from each identified company, as under:

Table 2.4: Class of Employee from each identified industry

Sr. No.	Class of employee from each identified industry	Employees identified
1	Employees from Senior Management Cadre	5
2	Employees from Middle and Front level management Cadre	35
3	Employees who are the workmen and have their own trade union.	60
	TOTAL	100

Thus the total sample according to class of employees identified for this study is as under:

Table2.5 : Employees identified

Sr. No.	Class of employee	Employees identified
1	Employees from Senior Management Cadre	20
2	Employees from Middle and Front level management Cadre	140
3	Employees who are the workmen and have their own trade union.	240
	TOTAL	400

2.9 QUESTIONNAIRE

Two sets of questionnaire were compiled:

- a) For HR heads of the identified companies.
- b) For the employees of the identified companies.

For HR heads the questions were mostly related to the policy matters while the employees were asked questions on specific Best HR practices.

So far as employees are concerned a broad spectrum of employees representing workers, office staff, and officers from Junior Management, Senior Management were randomly selected from the identified companies.

The questionnaire was designed Liker scale. The questions were broadly categorized under the following heads:

1. Management support
2. Working Environment
3. Job related aspects
4. Motivational aspects
5. Perception about Best HR Practices
6. Organizational Culture

Under each of the above heads questions were framed to obtain the respondents answers in the following form:

	Statements	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree

2.10 ANALYTICAL TOOLS USED

The data so collected from the field through the questionnaire has been entered in the computer and using the tabulation of it various tables have been drawn. Wherever it was practical and essential percentages have also been drawn. For easy understanding of the data, at some points graphic presentation of the data has also been resorted to.

The following statistical tools have been used:-

- ❖ **Percentage-** This is a special kind of ratio which will be used to compare variables. Percentages will be used to condense data and express in relation to 100.
- ❖ **Correlation-** This tool has been used to know the relationship between the variables. That is the effect of change in one variable on another variable.
- ❖ **Diagrams and Graphs-** The diagrams and graphs have been used as an aid in interpretation of data and drawing conclusions.
- ❖ **Averages-** This statistical method is often necessary to represent a set of data in terms of one single number that should neither represent the lower nor the highest value but a value in between the highest and the lowest value.
- ❖ **Proportionality Test -** This test explains how to conduct a hypothesis test to determine whether the difference between two proportions is significant. The test procedure, called the two-proportion z-test, is appropriate and uses the following formulae.

To test $H_0: p=p_0$, the sample size are so large that both np_0 and $n(1-p_0)$ are 10 or more.

$$\text{Now compute Z statistics as } Z = \frac{p - p_0}{\sqrt{p_0(1 - p_0) / n}}$$

In terms of a variable Z having the standard Normal distribution, the approximate P-value

For a test of H_0 against some alternative hypothesis say H_a

$H_a: p > p_0$ is $P(Z \geq z)$

$H_a: p < p_0$ is $P(Z \leq z)$

$H_a: p \neq p_0$ is $P(Z \geq |z|)$

This test has been performed for each variable given, and the results are summarized in below table. P values have been used to take decision about the variables. Level of Significance is 0.05.

2.11 SCOPE

From the foregoing discussion it is clear that the managing Human Resources of any organization is a vital task in the changed management philosophy. It is not limited to the personnel administration. It goes beyond. Particularly after the adoption of the globalization, liberalization and privatization, number of multinational companies has arrived in India and along with those companies their approach to manage human resources has also made an entry in India. These new role and the best HR practices have made a difference in the Indian context. Therefore, the current research topic has posed several newer aspects in HR management for this research study. Newer concepts, new type of facilities, altogether new type of amenities which are being provided by these multinational companies are new in the Indian context and the Indian companies will also have to adopt some of these practices applying appropriate changes acceptable to the Indian context. Therefore, the researcher is of the considered view that there is an ample scope to this research topic.

2.12 LIMITATIONS OF THE STUDY

Compared to the total number of large scale industries operating in the identified study area the sample is moderate. Each company has different HR practices, although there may be some common practices. Hence, the sample may be treated as indicative but the findings may not be universally applicable. And to that extent this is one of the limitations. It is practically, not possible to cover a larger

sample than the one that has been selected taking into account the time, man power and resources available to the researcher.

The questions relating to the policy matters were put to the HRD officials. Some of them expressed their limitation on the point of secrecy.

One of the limitations is that, while the responses came from employees who were best placed to report the actual HR practices that exist, there is still room for error. Employees may not be completely accurate and, in some cases, may not be completely knowledgeable about practices that have an impact on others. Even after ensuring that a cross section of the employees was covered by this research, the error is minimized, but cannot be eliminated.

2.13 CHAPTER SCHEME

Chapter – 1: Introduction

In this chapter the researcher discussed the definition of industry, classification/ types of industries role and importance of industries in Indian economy, historical perspective of Indian industries, history of industrial development of India, post independence development of Indian industries, various Industrial policy initiative till date, Indian industry prior to liberalization, impact of globalization on Indian industries, categorization of Indian industries, definition of large scale industries in India, Definition of Human Resources Development, evolution of concept of Human Resources Management, importance of HR and Significance of HR Planning, traditional HR practices, impact of globalization on HR, impact of HR Management on industry, strategic of HR management, objectives of HR, functions of HR, the Role of HR Manager, the impediments in HR implementation.

Chapter – 2: Research Methodology

This chapter deals with significance / importance of the research topic, objectives of HR, hypotheses of HR, research universe, data collection, primary data, secondary data, sample size, questionnaire, analytical tools used, scope and limitation, and the chapter scheme followed.

Chapter – 3: Review of Literature

In this chapter the researcher has taken a short review of the various books, journals, periodicals, theses, reports, websites which are related with the topic under research.

Chapter – 4: Brief Profile of Pimpri-Chinchwad Area and Identified Industries

This chapter covers a brief profile of the study area and the identified companies for this research. This helps in understanding the research work in its right perspective.

Chapter – 5: Traditional & Best HR Practices in India

In this chapter the traditional HR practices have been brought out in detail which, help to understand the new approach to HR that is being currently implemented. It also brings out the best HR practices being followed in India.

Chapter 6: Analysis and Interpretation of Data

The data collected through the primary data collection from the field has been analyzed by using various statistical tools like, tables, ratios, percentages etc. This chapter also includes validation of hypotheses framed in the beginning.

Chapter – 7: Observations, Suggestions, Conclusion

This chapter covers researcher's observations based on the data analysis, suggestions, scope for further research and conclusion.

Bibliography

This annexure gives the details of books, journals, periodicals, reports, Ph. D. theses, and web site which the researcher has used.

Annexure

Questionnaire: A copy of the questionnaire used for obtaining the primary data has been placed as Annexure – 1.

CHAPTER III

REVIEW OF LITERATURE

3.1 INTRODUCTION

This Chapter includes a review of past literature on various facets of best HR Practices in India. The review of the past literature provides guidance to the researcher for conducting research in the right direction. The review also helps to adopt an appropriate methodology for completing an investigation. Thus, it helps in proper understanding of the concept, methodology, analytical issues relating to the problem under study. The researcher has studied previous research literature on the subject, as well as studied various committee reports, books, journals, periodicals and news items he has brought out reviews in brief hereunder.

3.2 PREVIOUS RESEARCH WORK

a) **Pankaj Tiwari & Karunesh Saxena:** paper titled, “Human Resources Management Practices – A comprehensive Review”.

In this paper Mr. Tiwari and Saxena have brought out a detailed account of Human Resources Management. The Human Resources Development department occupies competitive advantage. As compared to the management of technology or capital, managing human resources is a challenging task. For effective management the organization requires HRM system. The HRM practices refer to the activities concerned with the human resources.

The paper writers have reviewed the then existing literature on HRM practices and observed that HRM practices are affected by external and internal factors. These directly affect other variables such as employer employee relations, employee’s attitude, performance of the organization on the financial front and employee’s productivity. Above all this affects the overall corporate performance.

b) **Raigama Rathnaweera Neelamani Thanuja Rathnaweera, (2010)** published his study titled “Do HRM Practices Impact Employee Satisfaction, Commitment or Retention?”

In this research paper the authors have brought out that the training of employees is positively related to higher job satisfaction, commitment of the employees and arresting the attrition of the talented employees. The analysis carried out by these authors has resulted in supporting the hypotheses which states that the performance evaluation is directly related to employee's satisfaction.

Their research brought about the following aspects on the forefront:

1. A package of HRM practices has positive impact on the employee satisfaction.
2. The package of HRM practices also has positive correlation with the better employment commitment.
3. For retention of talented employee's compensation, social benefits, performance appraisal and training and development have a great bearing in Sri Lankan Public Sector Banks.
4. Package of HRM practices brings about employee satisfaction, employee's commitment and retention of the employee.
5. The compensation and social benefits have a strong bearing on the employee's commitment and retention.
6. The training input in the employees enables them to secure higher positions and improve their performance. This ultimately resulted in the employee satisfaction, commitment and retention.

In an exercise carried out by Arthur , 1994, Huselid, 1995, Sivasburamaniyam and Venkataratnam 1998 have analyzed the prior research and have identified some effects which are considered as HRM outcomes. This analysis also throws light on the various variances which resulted in throwing a focus on the organizational outcomes as employee turnover.

c) **Park et al. (2003)** observed that the HRM practices are the tools with which the employee skills are developed.⁸ Human resources practices are the means by which the organization can influence and shape the skills, attitudes and behavior of individuals for attainment of the organizations targets set out.⁹

Outcomes of previous empirical studies

The outcomes of the empirical literature brought out that there is relationship between HRM and the performance of the organization. The findings of the researchers have been stated in brief:

d) **Bateman & Organ, 1983, Puffer, 1987, Organ & Konovsky, 1989:**

In the research work of these authors it has been observed that the HR practices has a direct correlation with the job satisfaction. It has been further observed by them that the HR practices motivate them and they repay this in the form of building organizational culture.

e) **Arthur (1994)**, in this research the author has observed that the high commitment strategy has significant higher level of both productivity and quality as compared with the controlled strategy.¹⁰

f) **Walters 1995:** The author has observed that Indian companies are found to be stronger than the multinational companies. Both types of companies give thrust on planning and recruitment. He further observed that performance management enables continuous improvement of business through best human resources management.¹¹

g) **Arnett and Obert 1995; Dessler 1999; Pfeffer and Veiga 1999)**

The authors have observed that there is a favourable impact of the innovative HR practices on the retention of the talented employees and has arrested the attrition rate. They have further observed that the support from the line managers has a strong bearing on the employees. From the employees point of view the relations between

⁸ Park et al. (2003)

⁹ Collins & Clark, 2003.

¹⁰ Arthur (1994), http://www.markhuselid.com/pdfs/articles/1997_Shareholder_Wealth.pdf

¹¹ Walters 1995: http://library.imtdubai.ac.ae/content%5Ce_books%5CE0016.pdf

the immediate line managers are of vital importance. There is strong influence of the line manager on the perception of the employees about the work culture.

h) Harel and Tzafrir 1996: The authors observed that the HR practices are used to improve the knowledge, skills and abilities of employees, to boost their motivation. It minimizes or eliminates the loitering on the job.¹²

i) Patterson et al (1997): The researchers have observed that HR practices have a bearing on profitability and productivity. The study also points out Development of Employee skills and job designing including flexibility, responsibility and the use of Formal teams.¹³

j) Thompson (1998): There should be a fair balance between the work force covered and HR practices for achievement of the success of the organization.¹⁴

k) Spears, M.C. & Parker, D.F. (2002),¹⁵ studied 285 employed business professionals and observed that training and support for continuing education reduces the probability of employees dissatisfaction. Training and performance appraisal system provides specific measurable feedback to the employee.

l) Purcell et al; (2003): The most successful companies have a clear vision and set of integrated values which are embedded in the organizational culture. These companies have aim to have sustaining performance and flexibility¹⁶

m) Patrick M. Wright, Timothy M. Gardner, Lisa M. Moynihan (2003), Article titled “The impact of HR practices on the performance of business units”. In this article the authors have examined the impact on HR practices and organizational

¹² Harel and Tzafrir 1996

¹³ Patterson et al (1997): <http://www.leeds.ac.uk/esrcfutureofwork/downloads/workingpaperdownloads/paper9.pdf>

¹⁴ Thompson (1998): and productivity.pdf

¹⁵ Spears, M.C. & Parker, D.F. (2002), <http://ephjournal.com/EPH-df/International-Journal-of-Science-and-Engineering/September-2015/International-Journal-of-Science-and-Engineering-1.pdf>

¹⁶ Purcell et a; (2003): https://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwiO_LGZ6IrMAhXCV44KHd1QBA4QFggfMAA&url=http%3A%2F%2Fwww.koganpage.com%2Fdownload%3Fid%3D2271&usg=AFQjCNFpvtbUjCN_bkdTNTCQa3YQpidvuQ&sig2=GORonBtkjLm5_7ItSj4j1g

commitment on the operating performance and profitability. The study was based on the employees attitude survey. The study revealed that the HR practices are very closely related to organizational commitment.¹⁷

n) Paul A. K. and Anantharaman (2003): The authors have observed that there is no connection even casual of HR practices with the financial performance.¹⁸

o) Collins & Clark, (2003) Human resources practices are the primary means by which firms can influence and shape the skills, attitudes and behaviour of individuals to do their work and thus achieve organizational goals.¹⁹

p) Bowen and Ostroff, (2004): The authors have observed that perception of the HR practices influences the relations with their managers. Innovative practices implemented in right manner increase the employee's satisfaction.

q) Bjorkman and Budhwar (2007) The authors have suggested that the introduction of HRM practices from the foreign parent organization was negatively associated with performance, local adaptation of HRM practices was positively related with the performance of foreign firms operating in India²⁰

r) Parvin, M. M., & Kabir, M. M. (2011): The authors have examined major factors that are responsible for job satisfaction in identified pharmaceutical companies. The findings were applicable to the pharmaceutical industry. According to them money is a good motivator. Next to monetary gain relations with the coworkers was the aspect highly weighed by the workers. The environment particularly clean work place, pleasantness, lighting, noise free atmosphere, furniture have also a bearing on the job satisfaction. Fairness in the treatment, compensation, interpersonal relationship contributes to the development of sound attitude of the employees. It was

¹⁷ Patrick M. Wright, Timothy M. Gardner, Lisa M. Moynihan (2003), Article titled "The impact of HR practices on the performance of business units". <https://huntsman.usu.edu/files/uploads/Publications/Impact%20of%20HR%20on%20Business%20Units.pdf>

¹⁸ Paul A. K. and Anantharaman (2003) <http://www.ingentaconnect.com/content/routledg/rjih/2003/00000014/00000007/art00010>

¹⁹ Collins & Clark, 2003

²⁰ Bjorkman and Budhwar (2007) <http://www.emeraldinsight.com/doi/abs/10.1108/01425450710826104>

further observed that compared to female workers the male workers accord more importance to the job security.

s) **Appalayya Meesala, Asma Sultana: (2011),**²¹ “A Study on Employees’ Satisfaction with Performance Appraisal System in Andhra Pradesh Tourism Development Corporation”. The objective of the study was to find out which are the variables that contribute most to the satisfaction of Performance Appraisal System (PAS)? Whether PAS covers all aspects most accepted by the employees? Does fair fixation of performance standards contribute to satisfaction with PAS? etc.

The authors have observed that the organization has to see that all aspects are covered in the performance appraisal. Secondly, the employees are not clear with the reward system. In the subject sample except with reward system, the employees were clearly satisfied with the other determinants.

t) **Ball (2012):** The researcher has observed that in the current organizational scenario the human resources management has got its due importance.²²

u) **Akanbi, F. K., & Ojokuku, R. M. (2012):** The authors studied the impact of training on their job performance. Their finding was that the training is a very significant factor so far job performance is concerned. In turn this will enable the organization to achieve the targeted performance.²³

v) **Business & Legal Resources, (BLR) (2012)** “Special Report – Top 10 Best Practices in HR Management for 2012”.

In the global market place the role of human resources is changing very fast. Traditionally HR Dept. was regarded as administrative overhead. In good old days the personnel department was attending to benefits administration, maintenance of individual files and other records, the recruitment of staff etc. In today’s context the role is totally changed.

²¹ Tecnia Journal of Management Studies, Vol. 6, No.1, April 2011-Sept. 2011.

²² Ball 2012, http://www.iima.org/CIIMA/11_5.4_Beadles_39-46.pdf

²³ Akanbi, F. K., & Ojokuku, R. M. (2012): ijrcm.org.in/download.php?name=ijrcm-1-vol-3_issue-8.pdf...

The positive result of these changes is that HR professionals have the opportunity to play a more strategic role in the business. The challenge for HR managers is to keep up to date with the latest HR innovations – technological, legal and other wise. The HR Managers should anticipate the challenges that will be posed and should address those in advance.

This report is based on the study of HR practices followed in U.S.A. However, because of the globalization and entry of the multinational companies, the labour market has become a global entity. Therefore this is also relevant to the Indian context barring some marginal adjustments.

The report has discussed some of the Best HR Practices which have been briefly discussed hereunder: These practices are based on the environment available in U.S.A. Therefore, those cannot be accepted in Indian context but it can give an idea as to what can be considered as the best practice and with little modification and de-novo thinking on these issues the Indian HR Managers can get a clue and address their innovations.

Health Care

Benefits Summary Requirement: The employees are given requisite information as to what health care benefits they are entitled to at the time of entry in the organization and before delivering the insurance document to them.

Health Insurance Administration Simplification: The committee recommended that there should be only one single set of operating rules for eligibility verification.

Requirement on Employers to inform employees of coverage options: This suggestion of the committee is totally based on USA practices and is not relevant to the Indian context at the moment.

Family and Medical Leave Act (FMLA): The suggestion of the committee is that the employees be given prior knowledge about the various leave rules and regulations and the changes that are going to take place if any.

Paid Sick Leave benefits: What the Numbers Show: For paid sick leave benefits there should be no minimum length of service requirement.

Highlights of the report include

- ❖ In private industry there is a variation about paid sick leave benefits for management, professional and service workers. For management, professional employees the benefit is 84 per cent while for the employee workers it is 42 per cent.

- ❖ Here again there is variation in availability of paid sick leave based on the wages. Employees who are drawing higher wages are getting more as compared to the low paid employees.

- ❖ The committee has observed that there is a 8 days of paid sick leave after completion of 1 year of service while in some large establishments it is 11 days and in small establishments it is 6 days.

- ❖ In the state and local govt. the cost of sick leave per employee hour worked was as high as 81 cents as against 23 cents in private industry.

- ❖ Cost of sick leave per employee hour worked in state and local self governments is as high 53 cents for higher salaried employees as against 8 cents in service occupations.

Ethics

In USA workplace ethics have been defined. It has a well defined set of rules of behavior at the work place on which the behavior and the conduct at the workplace is judged. These rules are strictly observed. Usually the problem comes when there is a conflict of interests between self and the co-worker or between the two departments. Drawing a de-marketing line between personal and business relationship is a difficult

task. Confidentiality of important information is also an area where ethics are strictly observed.

Employee's use of Social networking Sites: Employers may find that employees use social networking sites to post positive information about their organization's products or work culture.

Employee Recognition. The Development Community focuses on rewards and recognitions for employees. There is the "Above and Beyond Award", given on a monthly basis to an employee doing something well beyond what is expected. Employees make the nominations for the award.

Best Practice: Using Social media to Communicate Sustainability Achievements: Now employees can share their achievements with the outside world using social media.

HR initiative

It has been already stated that the HRD has to follow ongoing pursuit of innovation. In one exercise an organization recruited non engineering graduates in the company and imparted them training for four weeks and then they were put on job. This was primarily a coding work. The loyalty of these employees was quite higher as these employees found their identity as part of IT industry. Innovation should become a part of culture building.

3.3 BOOKS (INDIAN AUTHORS)

a) **Nisha Nair, Neharika Vohra, T. V. Rao and Atul Srivastava (2009)**, book titled, "HR Best Practices: Manufacturing Sector in India". In this book the authors have observed that HR practices reveal as to how the organization is concerned with its human resources. It is based on the belief that the employees perform well when they are cared by the organization. This book is written on studying 49 manufacturing organizations in India.

This book also discusses the practices for effective functioning of the management and competency mapping, practices addressed to women employees, practices followed by the organizations for motivating the employees, recognition and reward system, and welfare schemes. The book also discussed the need for succession planning.

b) K. Aswathappa, (2010), book titled, “Human Resource Management”. In this book the author has discussed in detail the functions of human resources development department. More particularly HR planning, recruitment, selection, training, development, compensation negotiation, training, safety and health, welfare, are the topics elaborately discussed. The main objective of any HRM is to ensure availability of the competent and efficient staff as and when required by the organization. A strategy is understood as the way of doing something. Strategic management refers to the process of formulating and implementing strategies. After executing strategies, they need to be evaluated for their usefulness and effectiveness.

The training to the staff involves high costs. However the return that the organization gets in the form of refinement of the skills of the employees, development of precision culture, and development of the leadership qualities is invaluable. The author states that skills, education, development, ethics, attitudinal changes and decision-making skills must go into any programme of training and development. While discussing the training aspect the author has also elaborated the training process which comprises of the following: ²⁴ Training process involves several steps:

- i) Defining organizational objectives and strategies.
- ii) Assessment of training needs.
- iii) Establishing training goals.
- iv) Devising the training programme;
- v) Implementation of the programme.
- vi) Evaluation of the results.

The book has been nicely presented.

²⁴ K. Aswathappa, (2010), <http://www.andhrauniversi...-SDE-Syllabus-2015-16.pdf>

c) **Arun Monappa, (2011)** book titled, “Managing Human Resources”. This book has been published on the backdrop of the India’s adoption of the new economic policies of globalization, liberalization and privatization. The author has observed that as a result of this policy there is a stiff competition for survival and the organizations have to manage their human resources in such manner that they give their best potential to the organization. The organization’s main objective is to improve the production and productivity. The book has discussed the means to improve the production without involving additional costs and the role of HR department in achieving it.²⁵

The author has observed that number of multinational companies that have come to India have brought with them their tested technology and HR practices. The author has drawn some case studies from these multinational companies and discussed those. The author himself has raised some questions about the HR management and has provided its replies which part is quite interesting. This book gives updated knowledge of the HRM practices in the post globalization era.

3.4 FOREIGN AUTHORS

a) **Zorlu Senyuçel (2011):** “Managing the Human Resources in the 21st Century”. In this book the author has covered overall view of the HRM field. Human resources are the most important asset of the organization. The author has stated that in the 21st century the Human Resources Management function has attained a different dimension compared to the earlier century. The book gives all the relevant aspects of HRM keeping in view the 21st century environment prevailing in the industries. The book has discussed the nature of human resources, definition of HRM, functions of HRM, motivation, commitment of the employees, team building, leadership development etc. The book has been written keeping the overseas environment in mind.²⁶

²⁵ Arun Monappa, (2011) Managing Human Resources, Publisher: Delhi : Macmillan Pub. India Ltd. ; 2011

²⁶ Zorlu Senyuçel : “Managing the Human Resources in the 21st Century”. Bookboon Premium - Gain access to over 800 eBooks.

b) Raymond A Noe, Amitabh Deo Kodwani (2012), book titled, “Employee Training and Development”. In this book the authors have brought out the importance of the training and its impact on the overall performance of the organization. The 21st century has brought out number of challenges and the employees are required to be trained to meet the challenges. In order to have a well designed and implemented career development plan the employees need to undergo training programs and refine their skills.

The role of training has been widened. The authors have observed that the motivation has been of greater importance for getting desired performance. Gaining knowledge and sharing it with other employees i.e. acceleration of training input is necessary.

The authors further observe that there is a change in the relationship between the employer and the employees. Competition is increased and profits have been shrinking. There is no job security.

On this backdrop there is need to sharpen the employees skill to retain them in the organization.²⁷

The authors have further discussed the following best practices which have a long bearing on the performance of the organizations:

1) Energy –Saving Opportunities

This saving on energy bill can well be achieved without involving much expenditure but by merely creating awareness about it amongst the employees. What is required is to track the energy bills. Seasonal changes may be noted. Focus on the following points to achieve the goals:

- ❖ Pinpoint equipment using the most energy.
- ❖ Identify no- or low cost projects
- ❖ Enlist management support.

²⁷ Raymond A Noe, Amitabh Deo Kodwani (2012), Tata McGraw Hill Education Pvt. Ltd. 5th edition, pp. 273-407

- ❖ Create an energy team at your plant.
- ❖ Develop an ongoing strategy to sustain plant wise efforts and to improve and maintain energy-efficient systems
- ❖ Shut of any lights you are not using.
- ❖ Use compact fluorescent light bulbs.

Wherever possible the management may be persuaded to use alternative source of energy such as solar energy, wind power etc.

Similarly create awareness about clean environment. Resorting to paperless office may lead to savings of trees from cutting. Use cycles and bikes wherever possible.

2) Adopting a Recycling Policy

Identify those materials which are used in the company of which those can be recycled. Of course it presupposes that there should be clear guidelines and procedures. If this is followed apart from money saving it improves the employee morale and organization's image in the eyes of the society.

3) Hygienic Workplaces

Today the healthcare costs are rising at a rapid speed and hence this should be given utmost importance whether it is school, office, and factory or for that matter any workplace. The need of the hour is to inculcate the cleanliness as a habit. There are studies which have proved that hygienic workplaces have a positive impact on the productivity of the employee and the healthcare cost is reduced. The companies should organize wellness programs not only for the employees but their families also.

The concept of wellness includes the following aspects which are required to be addressed:

Wellness is a comprehensive term which encompasses every aspect of our life.

Physical: Maintenance of sound physical health by carrying out regular exercises, having nutritious food intake, and above all abstaining from harmful habits like smoking, habitual drinking etc.

Emotional – This is a difficult task for which one has to learn as to how to control ones emotions, control over feelings and moods. Pranayam and Yoga are now a day's being used even in the Western World.

Intellectual – This again is an area where one can learn to keep sound mental health by developing creativity, learning ability and also problem solving skills.

Occupational- In today's work environment where everybody has some stress having an adverse effect on individual's health. Therefore the managements should organize Stress Management Training Programs and development of aptitudes and skills for releasing stress.

Social – Man is a social animal. Employees may be allowed rather motivated to mix / participate in the community development programs which are either organized by govt. or Non Governmental Organizations. This gives a sense of satisfaction to the employee.

Spiritual – Provide an outlet for pursuing spiritual offerings at the work place to the extent possible. These spiritual values does have a positive impact on the work life balance and the performance of the employee.

4) **Suggestions for Wellness Programs**

There are number of ideas, a group of employees can use for improving the wellness of the employees. Like the Quality Circle the employees can well be conduct a Brain Storming Session and solicit ideas from each individual and then decide priorities and get involved the management also. Following is the list of some of the successful ideas that have been tried in some industries:

- ❖ Organize blood pressure, cholesterol levels checking at regular intervals.

- ❖ Counseling for the domestic financial management.
- ❖ Smoking cessation program.
- ❖ Providing financial assistance for voluntary participation in health care assessment.
- ❖ Financial incentives for voluntary participation in healthcare assessment.
- ❖ Health insurance discounts for nonsmokers.
- ❖ Provision of gyms at the central place without charging any fees.
- ❖ Making arrangements with the local restaurants to provide healthy and hygienic lunch/breakfast etc.
- ❖ Healthy food options in company cafeteria or vending machines.
- ❖ On site medical facility, fitness center, and pharmacy for employees' use.
- ❖ No out of pocket cost to employees for preventive care e.g. annual physical exam, well child exams, mammograms.
- ❖ Free Vaccinations

5) Succession Planning: A Strategy for Meeting Talent Needs

In order to have smooth transition of the management hierarchy every organization has to draw out a succession plan. At least for the key positions in the organization there should be a well drawn plan to replace this position as and when necessary.

6) Identifying High Potential Employees

In every organization there are some employees whose presence is felt because of their outstanding performance. These employees should be spotted and they should be groomed specially for taking up higher positions whenever the situation demands. For this purpose the line managers and the immediate bosses should have dispassionate and impartial approach in spotting such employees applying certain pre-determined criterion. When such employees are spotted by the organization there should be a proper training input given to them so that they can conveniently assume the higher position successfully.

7) Preventing Security Breaches

Today is the age of computers and information technology. It is very essential to make sure that the data and the information stored in the computer /software program is properly secured and no access is available to an unauthorized person. The organization should have a designed and setup an internal unit to ensure that the data and the information remain intact. Keeping this high importance in view this is also considered as best HR practice. All the staff members should be given training to maintain the preventing security and breach of it should be severely punished.

8) Protecting Employees from Identifying Theft

There can be a theft and the organization should be prepared to meet this challenge.

Following four types of protections are available:

- ❖ Install appropriate antivirus, antispymware, and wireless security for the computer based systems.
- ❖ Guidance on protecting against a variety of exposures of personal data from shredding documents, to opting out of marketing databases, to tracking data in Social Security, motor vehicle, medical and financial databases.
- ❖ Credit monitoring at varying levels of frequency, sometimes with alert services in the event of credit inquiries or charges.
- ❖ Insurance coverage sometimes including assistance with identifying recovery activities.
- ❖ Use of passwords and those should be appropriately changed as per laid down system.

9) Communications

Benefits of Good Communications

In every organization there is formal and informal communication. Communication process involves sharing of information or ideas with one another which help them to understand each other's view point and things can be got done smoothly. Positive and effective communication is very much essential for the success

of the business operations. Free flow of vital information increases the confidence amongst the employees. It improves the employee's morale as the employees get the clear idea as to what is expected of him. It enables the management, to pin point the responsibility. It also leads to better productivity.

Employers also have an interest in maintaining the privacy of certain information, such as trade secrets, customer lists, and other proprietary information. Employers are provided with adequate protection taking a legal action in case an employee or former employee violates such an agreement.

Company Newsletter

Today, in almost all companies there is company news letter through which changes in every field related to the company are informed to the employees. This also is used to recognize best performances, achievements of the employees and the members of their families as a motivational tool. With the advent of modernization now instead of print media companies are using electronic media for Company Newsletter.

Meetings

This is yet another way of communicating with the employees. Meetings provide an opportunity to interact face to face and seek clarification / guidance and also help the management to understand the thoughts of the employees, their concerns, ideas which it can take into account while planning its future activities.

E-mail

This is a new outfit available for communication. It is speedy and very easy to operate. It is a written communication and hence should be carefully used. These are stored on the company's computer. However, there should be internal checks and controls to ensure that this facility is not abused by the employees.

Encourage Employees to Communicate Better

Needless to say that good communication is an art and if properly used it helps to enhance the overall morale of the employees.

10) Avoid Scheduling Meetings on Friday Afternoons or Monday Mornings

In an environment where the organizations are observing five days week the usual tendency is pack up early on Friday and try to reach Monday morning office in time, but sometimes there may be some delay. If a meeting is scheduled on Friday and if the meetings gets dragged for a longer time the employee's mindset gets upset as his/her plans to reach the weekend destination gets disturbed. Similarly if a meeting is scheduled early hours on Monday the employee has to rush to the office sacrificing some comforts of reaching bit late. Therefore, keeping this mindset of the employees at all levels as far as possible the scheduling of meetings on Friday or Monday early hours should be avoided. This practice is welcomed by the employees as a best practice.

c) Environmental Careers Organization of Canada's Best HR Practices Report 2009:²⁸

ECO Canada is an organization that develops programs that help individuals build environmental careers, provides employers with resources to hire and retain environmental professionals, and informs educators and government about environmental employment trends.

This organization conducted survey of employee satisfaction in renowned companies in Canada using the following 6 measures and has given its report wherein the best HR practices of 2009 are presented.

1. Human Resource Function and Policies
2. Professional Development
3. Performance Management
4. Communications
5. Employee Benefits and Compensation
6. Employee Relations, Welfare, and Fulfillment

²⁸ Environmental Careers Organization of Canada's Best HR Practices Report 2009
<http://www.eco.ca/ecoreports/pdf/HR-Best-Practices-Report-2009.pdf>

Effective human resource (HR) planning and management is required at all stages of an employee's corporate lifecycle to help ensure employee growth and satisfaction.

Fully occupied employees are invaluable assets as they are motivated to give peak performance of their abilities because of their dedication and voluntary commitment to the success of the organization. The reported listed out the best HR practices which are as under:

a) Reinforcing Company Values

In order to create employer brand awareness, employees who commonly share same environmental leadership values, the company gives awards to the public. This creates greater awareness about the corporate culture.

b) Selective Recruitment

Currently there are number of avenues open for recruiting right type of people for the right placement. Usually the details required are: level of entry, educational qualification, professional qualification and technical requirements etc.

c) University Internships

Using the internship program, can target students who excel academically and provide them with the opportunity to obtain practical work experience. This helps to train and develop the skill sets of interns at an early stage of their career while giving the company an opportunity to gauge the intern's skills, abilities and inner drive. However this facility has not yet been introduced in India.

d) Hiring for fit

Biodatas/resumes received are properly screened to see whether there is previous experience, interests of the individual, and his ability to contribute to the organization.

e) eam Hiring: Recruitment

here are three stages through which a candidate has to pass through. In the first stage the interviewing team takes a broad view whether the proposed candidate fits

into the organizations set up. The second interview is usually conducted by the team manager. Before the final interview is taken all those who were involved in the interview process give their opinions. In the final interview the final decision is taken by the team. Of course all this depends on which vacancy or position the interview is being taken. If the selection is of a senior level official and if it is a canvassed candidate (i.e. for which details have already been obtained and the organization wants to induct him because of his performance /achievements in the other organization) the process is relatively simple. On line interview and negotiations take place and selection is made.

On the very first day the employees are provided with the orientation check list which provides him details such as the organization and the department, internal network, passwords, HR policies and paperwork, safety equipment and training. Thus the employee is introduced to the organization thoroughly.

f) Sharing Satisfaction Results: Employee's feedback on HR policies, procedures and leadership practices is collected and using it annual employee satisfaction survey is made.

g) Family First: Companies appreciate that employees work more effectively when family and professional responsibilities are not conflicting. As a result, the companies have developed several policies to create a supportive and flexible work environment that promotes work-life balance.

h) Employee- Initiated Events: To encourage team building and reward employees for their hard work, Companies celebrate staff achievements through a variety of social events.

i) Supporting Employee Values: To provide employees with the necessary time to build relationship in the community, a company allows each employee to spend up to 10% of their paid work time on volunteer activities.

3.5 NEWS PAPER ARTICLES / REPORTS

a) **Business Standard:** Bangalore March 3, 2011

HR practices in India 10-15 years behind the curve: Pai

Mr. T. V. Mohandas Pai – a Member of the Infosys Board observed that the current HR practices in India are behind 10-15 years compared to the practices being followed in the Western World.

Mr. Pai while addressing CII Karnataka Annual HR Conference 2011, stated that India is producing talent and intellectual capital that is world Class. He further observed that there is need for regular research on HR and case studies on career development frame work.

He pointed out that there is a lack of experienced and expert HR manpower. HR is a specialized job and the person assuming this position should have problem solving attitude. He further observed that in the ensuing five year's period there will be globalized demand for skilled workforce. There will be scope for attrition in view of the increased demand. Therefore, the need of the hour is design the policies in such a way that the intellectual competence created will have to be retained in the organization.

He also observed that the new workforce would be young and fully skilled and would communicate differently, work differently with different aspirations. For achieving success in such an environment the HR should be able to understand this differentness and nurture it. Expectations from HR are very high.

"Managing a global work force, bridging cultural gaps and creating common goals" would be the challenges that HR would have to deal with.

He opined that communication is very important factor and also HR should be able to understand business strategy as well as costs of talent and derive efficiency. He also expressed that becoming employee supporter is a crucial task of HR.

b) Times of India 13th August 2014, news titled, “Cool offices have vibrant & hot desks.

Non-Fixed Work Spaces new Trend in India. The news discusses the new style of approach to HR adopted at some of the companies in India. In Cummins’ there over 1600 employees at the newly constructed office building. None of the employee has a fixed desk. The companies allow the co-workers to choose their desk for the day rather than allocating one permanently. The upcoming head office of the \$4.2 billion Godrej Group – called Godrej One – in Mumbai’s eastern suburbs is also being planned as a collaborative office while e-commerce company Zomato too doesn’t assign employees a fixed place to work. In collaborative workplaces, personal space is out and collective space is in. Dividers and desk tops make away for laptops and lounge style spaces where employees can bump into each other and have serendipitous conversations.

Balanga Nagarajan, Vice President HR, Cummins Group, India stated that he believes a work space will be effective only if people are mobile. It’s a bold move for a manufacturing company, but he further says, while designing the new office, we asked ourselves, can we create an environment which is vibrant and fosters collaboration? Line managers don’t really need to see employees eight hours a day. Work gets done based on plans which are defined. At Zomato, employees don’t even have drawers and storage in the work areas. Deepinder Goyal, founder & CEO, says, “For us, ‘deskless’ is a figurative word. It means ‘flexible’ – in terms of roles, locations and reporting structures. All of us are here to learn and grow on a personal level.”

Four years ago, Godrej created a ‘space’ office in the old building as a prototype of future Godrej. “It is a central point where employees from across the group can meet and brainstorm. Today, we are excited to take this concept further to our new headquarter, Godrej One” says Sumit Mitra, Head, Group HR and Corporate services, Godrej Industries and associate companies.

While Godrej One will have a certain number of fixed work stations, the interiors will have innovative spaces that break down silos and help people work together better.

While Cummins hopes its new approach will help the firm attract and retain talent in addition to boosting productivity. P &G India claims their ‘agile workplaces’ have already speed up decision making. “A collaborative and openwork environment results in exchange of new ideas that enables employees to deliver superior business results.” Says Sonali Roychowdhury, Country Head, HR P & G, India.

The above news item focuses how the changes are taking place with the new HR approach keeping in view the ultimate objective of increasing the productivity. This also is a part of excellence in HR practice.

3.6 KNOWLEDGE GAINED

Upon reading all these books this researcher has been fully enlightened on the changing role of Human Resources Management after India’s adoption of globalization, liberalization and privatization. Now in the changed circumstances the importance that the HR is getting in the whole organizational set up is really envying. This department should always be on its toes to see that the talent management particularly its retention is managed well and within the overall costs too.

This reading enabled this researcher the need for constant innovation in the HR department to find out which are the widely acceptable best HR practices and at the same time within the manageable costs. The role the best HR practices plays in the satisfaction of the employee has been rightly stressed by the various authors.

Now number of multinational companies has come to India and along with they have brought new technology as well as new approach to human resources development. Domestic companies are surely learning from their best HR practices but they should not copy these practices in toto but those should be modified wherever necessary by giving Indian touch to it. This will evince greater acceptance.

3.7 KLOWLEDGE GAP

After carefully reading this topic related literature the researcher has observed that there was no study of impact of best HR practices on the employees satisfaction conducted so far. Even when the researcher cursorily went through the various

research studies available on shodhganga.com, there also it was observed that there was no previous research in this respect. Therefore, this researcher is of the considered view that there is a research gap which this study will fill it up.

CHAPTER IV

BRIEF PROFILE OF PIMPRI-CHINCHWAD AREA & IDENTIFIED INDUSTRIES

4.1 INTRODUCTION

In order to understand this research work it is considered appropriate to have a brief profile of the study area as well as the identified industries to understand the observations and findings in the right perspective.

Pimpri-Chinchwad

Pimpri and Chinchwad were initially twin cities of Pune district of Maharashtra. With the demographic growth as well as area wise growth both the cities are having independent Municipal Corporations. Pimpri Chinchwad is located on the North-West of Pune City and is very well connected by road as well as railway route. Now both the corporations have promoted a new company namely Pune Mahanagar Parivahan Mahamandal Limited for the communication within both the cities and the outskirts.

As per the latest census of India conducted in 2011 the population of Pimpri Chinchwad Corporation area is 17,29,320 which comprises of 9.45 lakhs male and 7.83 female. The literacy rate of this area is higher than the national average.²⁹

The local main spoken language of this area is Marathi. The number of Sindhi families is also quite large who speak Sindhi language.

Geography

The Pimpri Chinchwad city is situated at 530 meters above the sea level. It's climate is very pleasant round the year. The city is bestowed with three rivers namely Pavana, Mula and Indrayani. Pavana River supplies water to this city. There are number of industries which pollute these rivers due to dumping of contamination,

²⁹ Census of India, 2011 Dahiwal, Archana (April 4, 2011). "Pimpri-Chinchwad population is 17.29 lakh". *DNA India*. Retrieved 29 January 2012.

debris, and industrial effluents etc. The local body has taken several steps including creating awareness amongst the masses to keep the Rivers free from pollution.

History

This PCMC is comprised of the following original main areas.

- ❖ Chinchwad
- ❖ Pimpri, Nigdi
- ❖ Akurdi
- ❖ Kalewadi
- ❖ Bhosari

The name Chinchwad is originated from the presence of Tamarind (Chinch) and Banayan (Wad) trees. Chinchwad is also a holy place as the Shrine of Sant Moraya Gosavi is located here. Chinchwad is the birth place of Chaphekar Brothers who have led their lives in the freedom struggle. Adjacent to Chinchwad is Bhosari which was known as Bojapuri. It was the capital of Raja Bhoj 2000 years ago.

Because of the industrialization of this area there is a huge migration from all over the country.

Transport

The twin city is very well connected by the railway route as well as by road. Lohagaon – Pune is the nearest Air port for this twin town. Because of the vast industrial development and as a result of genuine demand a new airport is being located in the vicinity of this twin city and it is likely to come up within a two-three years time. Vallabhanagar – a suburb of Pimpri has a bus depot of Maharashtra State Road Transport from where this twin town is connected to all parts of Maharashtra. In view of the huge transport between this twin city and Pune Municipal Corporation Area recently Bus Rapid Transport (BRT) has been put in operation and is gaining mass acceptance.

There are about 29 suburbs of Pimpri-Cinchwad twin city which are detailed hereunder:

- | | |
|-------------------------------------|--|
| 1. Pimpri | 16. Wakad |
| 2. Chinchwad | 17. Sant Tukaram Nagar /
Nehrunagar |
| 3. Bijalinagar, Chinchwad | 18. Pimple Gurav |
| 4. Nigdi | 19. Kalewadi |
| 5. Nigdi Pradhikaran | 20. Thergaon |
| 6. Akurdi | 21. Chikhali |
| 7. Tathawade | 22. Rahatni |
| 8. Bhosari | 23. Punawale |
| 9. Talegaon Dabhade | 24. Pimple Saudagar |
| 10. Talwade | 25. MOSHI |
| 11. Hinjewadi | 26. Ravet |
| 12. Sambhajinagar | 27. Dapodi |
| 13. Ajmera Colony - Masulkar colony | 28. Pradhikaran |
| 14. Sangvi | 29. Shahunagar |
| 15. Pimple Nilakh\Aundh Camp | |

One of the first large scale industry that was started immediately after attaining the independence was established at Pimpri. It was in 1954, Hindustan Antibiotics Ltd. was established to manufacture penicillin. This was the starting point of industrialization of Pune district. Today, Pimpri Chinchwad area is well developed so far as industries are concerned there is no parallel in the state of Maharashtra. There are two large scale MIDC (Maharashtra Industrial Development Corporation's) industrial areas located in this twin town at Bhosari and at Chinchwad. MIDC has provided all the infrastructural development facilities in these two industrial estates.

Today, this area is popularly known as Industrial Township. A large number of small scale, ancillary MSMEs and large scale industries have their presence in this area. To name a few large scale industries in this Pimpri Chinchwad area, are:

- | | |
|---------------------------|---|
| 1. Telco, | 15. Tata Electric And Locomotive
Company |
| 2. Bajaj Auto Ltd., | 16. Mercedes Benz India Ltd |
| 3. Premier | 17. Kirloskar Oil Engines |
| 4. Bajaj tempo | 18. Indian card Clothing |
| 5. Sandvik Asia | 19. Alfa Laval |
| 6. Forbes Marshall | 20. SKF Bearings |
| 7. Phillips India | 21. State Transport Body Building
Division |
| 8. Bajaj Auto | 22. Weikfield India |
| 9. Kirloskar Cummins | 23. Serum India |
| 10. Kirloskar Filters | 24. Duro Shocks |
| 11. Kalyani Sharp | 25. Kinetic Honda |
| 12. Mahindra And Mahindra | |
| 13. Hindustan Antibiotics | |
| 14. Kirloskar Pneumatics | |

Pimpri-Chinchwad industrial belt: Placing Pune at the front

All together there are over 4000 industrial units of all types in this area. This is one of the largest developed industrial parts of India. Telco, Bajaj, Kinetic (now Force Motors) are the pioneering automobile industries of this area. These industries have developed number of vendors in Ancillary sector and have provided employment to a large number of youths of this area.

After the globalization and entry of multinationals took place in India after 1991. Pune has witnessed a large inflow of automobile giants preferring to establish their manufacturing base in and around Pune as a result of which this area is now being regarded as an Automobile Hub of India. In the vicinity of this area there are lots of consumer durable manufacturing industries as also electronic goods manufacturing industries. Some of the domestic large scale industries from this area have made their global presence e.g. Bharat Forge is being regarded as world number one so far as forging industry is concerned, Tata Motors has opened its units even in European countries. These industries have been successful in obtaining much needed foreign exchange inflow and enriched our export performance.

Thermax Babcock & Wilcox has developed an innovative combustor called Hopper Bottom Atmospheric Fluid Bed Combustor which permits the use of multi fuel, high alkali bio-mass for sustained operation of bio-mass power plants.

Since 1990s there is a very good development of establishment of service sector industries in and around Pune. These past 25 years have witnessed a rapid growth of Information Technology industries and today all the world known IT industries have located their units in Pune-Pimpri-Chinchwad and its surrounding area. There are software industries as well as large scale Business Process Outsourcing industries. To name a few world fame IT companies we may state: Infosys, Tata Consultancy Services, Cognizant Technologies, Persistent Systems, Tech Mahindra etc. These industries are earning sizable foreign exchange as they are mainly exporting their services overseas. These industries have provided employment to over One lakh youths from all over India. Today Pune city is also being known as IT Hub.

As a result of this huge industrialization there is a spurt in the demand for electricity which the State Govt. has to arrange from the national electricity grid. Now the government has issued letters of intent for number of industries for generation of power and it is hoped that in another 5 years period the State will be self reliant so far as its power requirement is concerned. The government is seriously working on these projects.

Pune is also a world famous Education Centre. There are more than a dozen universities (including Deemed Universities) which cater to the man power requirement of both the IT as well as Automobile Industry. Almost all the faculties of post graduation facilities are available in Pune city.

Business Information

Pune and Pimpri Chinchwad are the two twin corporation governing the respective cities. Over the past two decades this entire region is developing at a rapid stride and lots of multinational organizations are establishing their organization in and around these two cities. Particularly the IT sector is developing at a very fast speed and the government of Maharashtra has announced that they want to develop this area for IT sector on a big scale for which they are offering several sops. Along with this industrial development, Pune is also being developed as an educational hub and number of new educational institutions is coming up on the education map of Pune Metropolitan city.

In both these twin cities (Pimpri Chinchawad) and Pune there is availability of all modern health care facilities which can be rated as worldclass. Even there is inflow of foreign patients in Pune hospital. Both the Municipal Corporations are creating awareness amongst the masses about ensuing hygienic environment in their residential area.

There is lot of environmental awareness in both these cities. It is gratifying to note that the Govt. of India has selected to develop Pune city as a “SMART CITY” – a new concept evolved by the present Modi Govt.

As the industrialization is growing fast, there is huge inflow of migration of workers from all over India which has given boost to the building construction industry. Today, this is one of the biggest industrial sector of Pune region providing employment to thousands of employees and workers. Pune is regarded as one of the fastest growing cities of the world.

4.2 IDENTIFIED LARGE SCALE COMPANIES

A) Tata Motors Group

Telco was the pioneer automobile large scale industry in Pimpri-Chinchwad area established in the year 1945. Today it is the largest automobile company manufacturing commercial and passenger vehicles in India.

Apart from the domestic sales of their product it is also being sold in the various export markets. Company's manufacturing activities are spread all over India e.g. Jamshedpur, Pune, Lucknow, Pantnagar, Sanand, Dharwad etc. After the globalization the company has expanded its operations in various other countries like UK, Korea, Thailand, and South Africa. The company has taken over Jaguar Land Rover brand in 2008.

The company has a thrust on the Research and Development. The company is a pioneer in accepting Corporate Social Responsibility well before the legislation was passed. Over 5000 engineers and technicians are working in its R & D. Centre. The company is one of the largest employment providers in this area.

B) Kirloskar Oil Engines Ltd. (KOEL)

Kirloskar Group is one of the renowned industrial group from Maharashtra and Kirloskar Oil Engines Ltd. is the flag ship company of this group. Its first manufacturing unit was established in Kirloskarwadi in Sangli District. The company has manufacturing units with state of the art technology. Company has its manufacturing unit in Pune. It manufactures oil engines of a wide range of sizes and it does not only meet the domestic requirement but also exports its engines which have a good demand. The company has established its offices in Dubai, South Africa and

Kenya and has representatives in Indonesia, Nigeria etc. The company has established a well knit distribution network in the Middle East.

KOEL commands market leadership in the manufacturing of diesel engines, agricultural pump sets and generating sets. The company has introduced “Kirloskar Green Gen Set” which is a preferred brand amongst customers.

Company is engaged in providing customized power solutions to suit a wide range of applications. It’s generator sets are in both open and soundproof environment friendly canopies.

The major markets served are

The company’s buyers are mainly in service industries such as Telecom, Information Technology / Information Technologies Enterprise Solutions, Business Process Outsourcing, shopping malls, hotels, hospitals and banks, educational and financial institutions. Company serves large customer base including number of infrastructure projects like airports, bridges, residential and commercial township complexes.

In nut shell, one can say wherever there is a standby requirement of power one will find that the generator set is supplied by the KOEL. The company also caters to the defense requirements on a large scale.

KOEL’s engines are the first choice when powering earth moving, construction, mining, fluid handling equipment and marine applications are being taken up. The company’s products meet the international standards and are emission-compliant.

Building for the future

KOEL is the market leader in the power generation activity. Its products are being used both by agriculturists as well as industrial units. It has heavily invested in Research and Development. It has provided employment to a large number of youths from this region.

The Company's Human Resources Development Department has focused on the training and development of its employees. It has introduced various new techniques like six sigma, quality circle etc., in improving the employee productivity and quality.

The company is currently focusing on the export market as it fetches better return. The company supports its employees and has a very good team of committed staff.

C) Cognizant Technology Solutions Ltd.

The company is having its headquarter at , Plot No 26/27 Rajiv Gandhi Infotech Park, Hinjewadi, Pune - 411057, MIDC Hinjewadi. Its contact numbers of Phone: +(91)-20-66521100, 40216000, 39196000 Phone: +(91)-20-22933555
Website: www.cognizant.com

Cognizant Technology Solutions Pune, is the fastest growing IT company having its presence at Hinjewadi and Pune. It is a an IT Consulting and BPO organization. It is an internationally renowned company having its presence in US, South East Asia and UK. It has a strong hold on the Indian market. Apart from Pune the company has its establishments, in Mumbai, Bangalore, Chennai, Hyderabad, Coimbatore, Gurgaon, Kerla and Kolkata.

Achievements of Cognizant Technology Solutions

This international company has to its credit several recognitions and awards. Frobes fast Tech 25, one of Fortune World's Most Admired Company, Innovation Week's Top Innovator, CRM Magazine's award for CRM Market winner and many others.

The company offers a wide range of services encompassing application services, business process services, consulting, quality assurance and information infrastructure services.

Cognizant Pune IT Park monitors business activities and movement on the application and if needed they will redevelop it so as to keep up with increasing competition.

Table 4.1 : Performance of the Cognizant Technology Solutions during the study period
Years ended December 31st each year
(Dollars in thousands)

Item	2008	2009	2010	2011	2012	2013
Income from operations	516,670	618,490	861,852	1,136,468	1,361,496	1,677,910

Source: Annual Reports of the company for the respective years.

D) Tech Mahindra Ltd.

This is one of the leading companies from Mahindra Group. Earlier this company was known as Mahindra British Telecom Ltd. which was established in the year 1986. The company provides solutions and services to the telecommunication industry. British Telecommunications plc (BT) from U.K. is in partnership with this IT Company.

This is a listed company on the Mumbai and National Stock Exchange. 51% of the capital is held by Mahindra, 36% is by British Telecom Plc. and the rest is with the general public.

The company's offices have been spread over in Europe, North America, the Australia and New Zealand region and Asia Pacific.

The business of the Satyam Software Company has been taken over by this company and now it has become a company having a major share in the IT sector.

Company's focus is on quality and solutions that add value to the client's businesses. Tech Mahindra is ISO 9001:2000 certified and is assessed at SEI-CMMi Level 5. Tech Mahindra is also BS7799 certified across all development centres.

Tech Mahindra is a leading provider of solutions and services in the Information, Communications & Technology (ICT) industry.

Tech Mahindra has successfully implemented more than 18 Greenfield Operations globally and has over 151 active customer engagements mostly in the Telecom sector.

In the Telecom sector, Tech Mahindra has niche and proven domain expertise, distinctive IT skills, research and development, innovative delivery models and approach to off-shoring.

The company has a global presence and has operations in 31 countries with 17 sales offices and 15 delivery centers. The company has a track record for value delivery and is supported by over 47,000 professionals who provide a unique blend of culture, domain expertise and in depth technology skill sets.

CHAPTER V

TRADITIONAL AND BEST HR PRACTICES

IN INDIA

5.1 INTRODUCTION

Traditional philosophy of management was being practiced by the Indian organizations. In the traditional approach the control aspect was much powerful. Managerial control was the essence of the managerial functions.

After attainment of certain level of industrialization since 1981 onwards the Indian managements started recognizing the importance of human resources. Until then every organization used to have a department called Administration / Personnel dept. which used to attend to recruitment, administration of leave, increment, placements/transfers and administration of wage management. Since 1981 onwards the Indian management seriously developed because of the need for maintaining competitive edge. This necessitated the need for upgrading the skills of its workforce and linking of capabilities to suit the market requirement.

After the globalization the Human Resources Management department assumed greater importance in most important areas of organizational practice. This was the result of the changed industrial scenario and the economic development. Today Human Resources department requires altogether different skill set. It offers greatest challenges and also opportunities.

As the time passes Major HR concepts are evolving. The thrust is on shifting the focus from control to realization of HR functions emphasizing requirements of the organization in a comprehensive manner.

In the traditional control oriented approach there used to be emphasis on the rules and regulations and systems and procedure and failure to adhere to such sets of rules and procedures used to attract some sort of punishment.

Those days were peaceful when the sense of understanding and kindness were regarded as a weakness. A manager was expected to have a fine blending of firmness, and fairness and a sense of empathy.

With the overall changes in the organization the organization structures were revamped so as to ensure more flexibility, freedom and accountability. Now the HR Department has been bestowed with greater authority. Jobs have been redesigned wherein an employees is expected to have multiplicity of roles and skills, having a clear cut job description. A definite role has been now established between the job and the competencies required for performing it. Now there is a well designed link between the job design, performance appraisal and the compensation. Now the periodical performance appraisal is being carried out in a most scientific manner.

The Indian government opened up its economy in the year 1991 and adopted a policy of globalization, liberalization and privatization. It adopted policy of welcoming the Foreign Direct Investment in the domestic companies. The earlier industrial scenario was characterized by one or more of the following features:

- ❖ India was having a socialistic pattern of economy which was switched over to mixed economy where along with public sector, private sector and cooperative sector co-existed. There were tiny, small cottage industries, small scale industries, ancillary industries, medium sized as well as large sized industries. In such a situation the ownership pattern, size of the business, its reach was varied.
- ❖ The employment generation and the social concerns were the focal point as against the commercial objectives.
- ❖ The government was much apprehensive about the existence of large scale industries to be in the private hands. This was with a view to ensure that it does not dominate the markets. Therefore, Monopolies and restrictive Trade Practices Act and the subsequent Monopolies Commission were established.

- ❖ There were upper limits on the salaries of the C.E.O.s of the State controlled enterprises and for every wage revision the approval of the government was a must.
- ❖ There was controlled collective bargaining where the government had established certain norms.
- ❖ There were several restrictions on the entry of the Multi National Corporations and the government clearance was required for products, raw materials supply, capital outlay, and exports.
- ❖ The government used to pursue a policy of self-reliance and giving stress to indigenous manufacture of products.
- ❖ By that the industries were used to protected conditions and there was no incentive to go in for Research and Development.
- ❖ Compared to the total operating costs the manpower costs were quite negligible. Industries were located in the backward areas. Political leadership used to have significant leverage in public sector industries. Industries were overstaffed thereby the productivity and profitability was hampered. Promotions were based on the seniority and not on merits and performance which also affected the morale of the efficient employees.
- ❖ The total Indian work environment was bureaucratic and was very much concerned about the observance of the rules and procedure. There was no flexibility in their approach. This aggravated the productivity and profitability problem.
- ❖ The above stated background made it easy to introduce the reform package and to adopt the New Economic Policy of 1991. This paved the way for the HR department to take a centre stage.

5.2 TRADITIONAL HR PRACTICES IN INDIA

1. Job Description

In the public sector organizations the employees whose work roles was defined were quite high.

2. Recruitment

There was over dependence on the formal labour market. Recruitment of top students from the campus interviews conducted in management, engineering and other professional institutions was prevalent. Placement agencies, internet and print media was also tapped.

3. Compensation

Job security and life time employment was the practice in the public sector organizations. Facilities like Health care, housing and schooling of children was also a part of the compensation package.

4. Training and Development

There was poor organization of the training programmes in respect of both quality and input, coverage, as a result there used to be no proper skill development.

5. Performance Appraisal

Traditional performance appraisal was based on the superior's confidential reports and there was no much recognition on the basis of the performance appraisal or organizational goals.

6. Promotion and Reward

Promotions were awarded mainly on the seniority basis and merit had no much recognition barring the exception of the then prevailing MNCs in India.

7. Career Planning

There was very limited scope for career planning. Promotions on the basis of the seniority was the criterion. There was absence of the well defined career paths in most of the organizations.

8. Gender Equity

Because of the court rulings, ILO guidelines, and legal provisions gender equity was maintained but for strategic position female employees postings were rarely seen.

9. Reservation System

Even today reservations in jobs is prevalent. The reservation is based religion, castes. It was 15% of for scheduled castes, 7.5% for scheduled tribes and 2.27% percent for backward communities. This percentage slightly vary across the states.

5.3 RELEVANCE OF HR

The prime responsibility of the HR Manager is to look out for the right person for the right job. In today's business world, Human Resources is a much discussed subject. In a situation where the competencies and skills are not precisely referred, the job of the Human Resources department has become more challenging.

During the past two decades, the world has witnessed the complete makeover of the Human Resources Depts. In all organizations, this department has now assumed greater importance and has a say in deciding the management strategies as well. This change can be attributed to the entry of number of MNCs on the Indian industrial horizon.

Today the role of the HR dept. has become more complex. Managing the employee's expectations, motivation of skilled workforce has made the HR job a tight rope walk.

In good old days Administration Or Personnel dept. function was considered to be a support function. Today, HR dept. plays a strategic role in the organization's business strategies.

With the changed circumstances the shift in focus from traditional HRM to Strategic HRM was inevitable. Organization should concentrate on tapping company's special skills and core competencies and promptly respond to the

expectation of the customers. HRM should carry out on an ongoing basis its SWOT analysis and grab the opportunities.

Competency mapping

In the rapid growth of the industries, undoubtedly human force is the most valuable asset of any industry. It is necessary that a right person is selected for the right job. In order to achieve this objective now a day HR is resorting to competency mapping which envisages mapping of core competencies of a particular position in the organization. Then these are used to identifying it for job-evaluation, recruitment, training and development and performance evaluation and the succession planning. In spite of growth of industries in the recent past, still this process of competencies mapping is in its infant stage and needs to be groomed further.

To day it has become necessary that instead of calling HR as a staff function it has become a line function as every manager is expected to have involved in HR activities as a part and parcel of his responsibilities. Therefore, it has become essential that all the line managers are also groomed in HR activities to have better performance.

Now the management institutions are well seized with the need for updating their courses so as to include various new concepts that are being introduced in HR department. The new trends and best practices include, cross cultural management, change management, international HRM , familiarization of the students to the new concepts etc.

The need of the hour is for premier institutes such as the IIMs, IITs as well as other professional institutions to rise to the occasion and re-design their curriculum and pedagogical methods in consultation with the industry, in order to train their students to meet the changed expectations of the industry.

Outcome of the Reforms

There has to be a common thread amongst the organization's mission, the strategy formulated to attain the mission, and it should be based on the available skill and quality of the labour force at command. The workforce assumes a greater role.

The aim of any organization in today's scenario is to achieve greater productivity at a low investment. Therefore, the workforce plays a pivotal role. This requires the employee's involvement, full of motivation and skill to be nourished and fostered.

Today every organization is heavily investing in the latest technology and naturally in order to use that technology the man power using it has to be properly oriented and skilled. All the work norms are required to be formulated keeping the employee at the centre of it.

Now more than two decades have passed when India adopted the policy of globalization, liberalization and privatization. Number of Multi National Companies have come to India along with their new technology and also the new HR approaches. The Indian counterparts have also studied these HR practices in the Indian contexts and have also modified their approaches wherever necessary giving Indian touch as the environment is not the same.

On account of globalization and the other reforms there is a rapid growth of the industries in India. Lot of multinational manufacturing and service industries come to India and have established their plants and offices in India. This has given rise to the high demand for the talented people. The Human Resources Development department came to limelight and has taken up strategic position in the overall management set up of all the organizations. Since the multinational companies were from different countries there were number of HR practices prevailing in these industries. There was an industrial recession during 2008-09 as a result of number of companies had to slash down their training and recruitment budgets as well as cutting down several benefits offered to the employees earlier.

While discussing these changes one cannot ignore that the peculiarities of the Indian labour market and the legislative and institutional framework therein. There are several legislative provisions giving protection to the employees, certain mandatory benefits to be given to them, the role being paid by the trade unions in India. Some of these trade unions are controlled by the political parties which have diverse interests. Against this back drop the HR had to strike a balance in the management of their workforce.

The changing role of human resources management

For quite some time there was misconception about the role that is assigned to the Human Resources Management. However, in the changed industrial scenario after the globalization and entry of multinational organizations in India there was a shift in the approach of HRM. The stiff competition required to be faced in the market gave rise to the importance of HR as it had to address the employees productivity as well as achieving profit targets by cutting staff costs to a reasonable extent. The most important task was to ensure that there is no outflow of talented employees at any cost.

Until then the HR function was looked upon as the administrative enforcers and were considered as an impediment in the performance of the other employees. However, once the organizations were opened up for fierce competition for survival in the business, the emphasis and the focus on the HRM was totally changed and the department gained lot of importance in all the management activities.

Supporting the business

In the first place the HR department had to accept the concept of its role as supporting the business. They had to understand the expectation of the modern industry and business practices. They had to redefine the job roles in greater detail and had to hunt for specific talent requirement for which the HR had to adopt innovative practices to spot such talents and to retain them in the organization. They had to plan their training schedules and had to introduce various new training inputs like motivation, leadership development, personality development, stress management etc. The HRM had to resort to innovative practices to attract and retain the talented staff and keep a constant eye on the employee's productivity and profitability of the organization.

Employee engagement

In the changed circumstances the HRM had to play a very crucial role of active involvement in the staff issues, and had to perform a role of championing the cause of the employees and had to forge a positive link between the employees and the management. HRM had to ensure that the relations between the management and the employees remain quite healthy which will have positive impact on their output.

Today it has been seen that there is a change in the approach of the organizations. They do not recognize collective bargaining. There are no trade unions in IT Sector and the newly emerged automobile sector. The compensations packages are discussed and finalized with the individual employee. Even there is no time scale as such in many organizations. The annual increments relate to the performance of the employee and his contribution to the profit kitty of the organization. It is in this context the role of the HR Department has become very crucial as they have to undertake preliminary negotiations with the concerned employee.

The HR department has also to take care that the staff inducted in the organization is properly trained and acquainted to the organization's philosophy and the working systems and culture. Therefore, planning the training of the individual employee is also on the top of the agenda of HR Dept. The skills of the employees are required to be updated and sharpened and for this purpose the training has become an ongoing exercise in the current scenario.

In the absence of the trade union the HR department has to play the role of link between the employee and the management. The employees are required to be constantly motivated to offer their best potential so far as productivity is concerned.

Change management

As a result of constant research and development being carried out by each organization day in and day out there are changes in the systems and procedures which the new software brings in. Therefore it becomes essential for the HRM to ensure that all the concerned employees who are to work on the said software are well equipped with the thorough knowledge about it. Therefore, the HR department has to manage the change and also ensure that these changes as well as other happenings in the organization reach each and every employee.

HR can play a vital role in ensuring that change is carried out according to plan because of its unique position as the hub of all employee relations. This added dimension allows the HR manager to take a direct role in developing the business according to the available human resources and capacity, meaning that drastic

changes are better thought through and presented in a manageable way to the employees who need to work through it.

Employee benefits

As stated earlier the HR department has to negotiate with the individual employee about the annual compensation and the other benefits that the employee will get. For this purpose the HRM should always bear in mind the cost to company of the concerned employee. This is a very tricky job the HRM has to perform. Today in a competitive market with the use of social media by the young generation, everybody knows what the benefits are being given by the organization to its employees. The HRM is in constantly on an ongoing basis innovating the new benefits which may induce the employee to continue with the organization. Therefore, the concept of best HR practice has come into being.

Table 5.1: Some required and Discretionary benefits to the employees in India.

Benefits required by Central or State Law (applicable only to such employees covered by the law or guideline.	Discretionary benefits provided by employers
<ul style="list-style-type: none"> ❖ Provident fund, gratuity, health insurance, family pension. ❖ Medical Care and hospital facilities under ESI. ❖ Workers' compensation for accidents and workplace injury ❖ Death benefits, compassionate appointment for relative in government organizations/PUSs. ❖ For women: maternity leave, transport and security for night shifts. Paternity leave for men in government organizations and PSUs. ❖ Regular leave, sick leave, and leave travel allowance/ concession for self and family. ❖ Overtime payment as per law 	<ul style="list-style-type: none"> ❖ Superannuation benefits (pension after retirement). ❖ Life and health insurance for family and dependents, Medical care for retired employees. ❖ Housing, subsidy on housing loans, conveyance allowance, telephone and entertainment allowance, recreational benefits like health clubs and hobby classes, education allowances for self and family, soft loans for asset building. ❖ Payment to relative of employee jobs for relatives in private sector. Financial support for children's education. ❖ Different types of leaves like study leave, extraordinary leave, etc. Paternity leave in private sector, Leave during school examination time. Holiday/vacation/ care for children. ❖ Executive perquisites like chauffer driven car, petrol allowance, family holidays, etc. ❖ Compensatory off day and encashment of accumulated off days.

Of late, many traditional firms have come out with the formal retirement policies so that the old staff which is not fitting well in the new set up put up their papers and the management is free to seek replacement of their choice.

5.4 HRM IN MULTINATIONAL COMPANIES

The growth in the business is now essential for survival. If there is no growth in business you are finished. Therefore, the organizations cannot solely depend on the domestic market and have to tap foreign markets as well. Things are changing fast. Society's values as well as workers values undergo change. Technology changes giving rise to the new dimensions to production both in terms of quality and quantity. Therefore, the human resources of any organization are required to be managed professionally. Even there are organizations which have a fair mix of foreign nationals on their roll. Dealing with them is also a specialized job as their culture, requirements, and settlement in the new environment also needs to be taken care of. All this call for unique approach.

There has to be a certain degree of local flexibility and responsiveness in personnel policies: yet under an umbrella a coordinating all HR policy decisions, company values, philosophy and outlook on key issues should form the basis of HR decisions and this is the coordinating factor. It is important that the person in charge of this HR department at the corporate head quarters is part of top management, if human resources are to be deployed in accordance with the overall and long term goals and strategy of the company in question.

In a global scenario a company has to integrate its activities on a worldwide basis and HRM cuts across the entire value chain of a firm.

The HR function in the international environment is need based both quality and quantity wise. To achieve an effective HR policy an MNC would have to pay attention to the following:

Recruitment: Though technical competence is important for success, relational abilities increase the possibility of successful performance.

Training: Ideally, the corporate office or local HRM offices of a MNC would have to maintain a company requirement profile with the performance and potential of junior managers and experts in terms of the present and the future. Training is an important area in international HR development and planning in a MNC.

Remuneration and Benefits: As a general rule multinationals base their pay scale on those prevalent in the host country with added benefits (to supplement loss of purchasing power) when they are below those paid by the corporate office at its headquarters. Sometimes a mobility supplement of about 10 per cent of remuneration is paid and some companies find it worthwhile to pay traditional salaries for profitability of division's performance or for targets set for the individual by the company. In India with the process of liberalization, the government has allowed companies to pay their managers salary packages which are more in keeping with those of their counterparts abroad.

Dissemination of Information: The HR department in a multinational corporate office and in local units has to play an important role in disseminating information. Information dissemination is to ensure that the equal opportunities are available to all employees and that planning for the management of HR's coincides with the overall planning process, taking into account local dissimilarities, needs and obligations.

The companies and technology, however superior, are all managed by people and hence the success of an operation will ultimately depend on the 'ingenuity of its people'.

Attractive benefits are also offered by MNCs and private employers. The company's focus on the health and well being of employees. In some companies gym is provided at the office so that employees are saved the trouble of driving down to a private gym. Facilities for indoor sports like table tennis, carom, and high tech gaming facilities are available within the company. Employees and their families are invited for celebrations and the company also has days meant for bringing family members to the office.

5.5 BEST HR PRACTICES

Here are some of the best HR practices that help in the creation of a highly satisfied and motivated work force.

1. Work Environment

It is obvious that the employees prefer to workplace to be safe and has healthy atmosphere where working is pleasurable. Every employee is being accorded his due importance and also the motivational support to stay in. For this purpose in the organizations there are internal surveys carried out and the employee's satisfaction level is assessed. Wherever necessary prompt actions are taken to rectify any deficiency observed in the surveys.

2. Open Management

Today every employee expects that the organization maintains a satisfactory level of transparency and keeps its employees updated of the various developments taking place in the organization. This also ensures that the employee's feel secure as well as recognition of their importance in the organization. This is achieved by internal e-bulletins, blogs and frequent floor level meetings. The employees are kept updated on the changes in the company's policies, achievement of new contracts and the sales trend, any new Sr. Executive joining the organization etc. The organizations also give every employee to put forth his/her ideas for improvement of the company's performance. Rewards are also given on assessing the cost benefit of the suggestions.

3. Performance Incentives

Today's organizations have altogether different type of functioning. They divide the staff in different modules by applying certain parameters e.g. for each order a different module. Accounts are also maintained and the profitability of the order is assessed. This provides the management a tool to assess the financial performance and to give team incentives based on the actual performance displayed. In today's organizational set up there is a system of promptly recognizing individual's achievements which motivates not only the said staff but also inspire the other staff to perform better. While doing so the HR always keeps it's one eye on the cost to the company.

4. Performance Feedback

Today the traditional system of writing confidential performance report by the boss is no more in vogue in any organization. Now the performance is assessed using scientific tools and also involving not only the top boss but also the senior officials as well as subordinates. Thus everyone's opinion is taken into account while assessing the performance. This appraisal is also discussed with the individual employee who is taught to use this feedback for his /her improvement in the performance.

5. Employee Evaluation

Every company has an employee evaluation system in place but a good system links individual performance to the goals and priorities of the organization. This works well when achievements are tracked over an year. For a fair review of each employee, the evaluation, apart from being done by the boss, should be done by another person at a higher level, for whom the employee's contribution is important. Ratings can also be obtained by other employees. This ensures a fair and accurate rating of each and every employee.

6. Sharing of Knowledge

Today because of the technology development knowledge gained by an employee in a training programme or a workshop is stored in the data base and access is available to those who can use it for increasing their knowledge. This centralized system of knowledge storage accelerates the training effect at no additional costs. Even innovative ideas that the management deems fit for employees to see, can be stored here for all to see.

7. Publicize Good Performances

Quite obviously every organization has some employees who display outstanding performance. Organizations highlight such performance through various media available to it e.g. house bulletin, display of board at the entrance, holding special meeting etc. so that the achiever gets due recognition. This approach and actions inspire the other employees of the organization.

8. Discussions

All that wisdom is not centered at the top. Every employee has some genius and has some practicable ideas which can be tested for its techno economic feasibility and economic viability. Therefore, in the organizations there is a system of group discussion on specific areas where the employee can share his ideas which may prove to be useful to the organization. There are suggestions boxes in each of the departments or at central place where the employee can drop his suggestion. These suggestions are evaluated by an expert committee and appropriately the employee is informed the outcome of it. Suggestions which are acceptable to the organization are promptly rewarded.

9. Rewards

For the best suggestion of the employee, organizations organize special meetings and the achievement made known to the other employees of the organization. This instills confidence in the employees that the management is considerate for good suggestions.

10. The Surprise Factor

Everyone likes a surprise. When one is not expecting a surprise and if a surprise gift is received everyone is thrilled. The gift may be a certificate, a small reward. The surprise need not be restricted to the achievers it can be given on randomly selected basis. Such a small gift also proves to be a best motivational tool.

The success of the organization largely depends upon the employees' strenuous efforts and involvement. These healthy HR practices go a long way in developing a cordial and healthy relations with the employees. The organization's work culture and the overall approach towards the employees should be such that every employee should feel proud of his company's performance.

11. Exit Interviews

This is relative a new concept. Now a day this is a common practice in almost all the organizations. When the employee calls it a day and tenders his papers, exit interview is conducted by a senior executive from HR department. The objective is to find out why the employee is leaving the organization. When the employee is leaving

the organization he can express his free and frank opinions about the organization and its people. He can voice all that he feels about the organization good things as well as undesirable ones. The outcome of the interview helps the organization to take corrective steps wherever necessary.

The experts feel that such interviews should be oriented to obtain comprehensive impression about the organization, managerial deficiencies, HR policies etc. This interview outcome helps the HR department to sort out any genuine problems faced by the employees which will result in arresting the further attrition of the employees.

Some people have a doubt about the true and honest feedback. Usually employees are reserved and give goody goody responses. Sometimes the employee leaving now may be intending to come back again and hence takes a position and do not express his adverse opinions. Of course, the Sr. Executive who conducts such an exit interview cross checks the feedback given by the outgoing employee to ascertain its correctness and reliability before acting thereon.

Here are a few points usually one should inquire into at the time of exit interview.

For the Interviewer

- ❖ Let the employee be placed in a comfortable position so that his confidence will help him in giving the genuine reporting.
- ❖ Normally it should be of about 30 to 45 minutes. Interviewer should empathize with the employee who is severing emotional connects with the organization and is difficult too.

For Employees

- ❖ Employee should present his views without any bias.
- ❖ Let him express his frank opinion about the organization which will go a long way in improving the position. Wherever needed let him give an unbiased account to substantiate his views.

- ❖ The employee should remember that his frank views which are positive in nature may help the other employees as the management may take a serious note of those and may take some action.

Expected Questions

- ❖ Why are you leaving?
- ❖ What was most satisfying gratifying about work?
- ❖ Any restraints through company procedures/policies to your performance?
- ❖ Detail the level of support from the company towards your duties

Exit Interviews if taken in the right spirit can be valuable retention tools. They are definitely a win-win for employee and company, if two-way.

5.6 GUIDELINES FOR IDEAL HR ROLE

Following are the few guidelines which the HR Dept. should follow:

- ❖ **Definite Job Description**

There is a need to precisely define the job description. This is very much essential as it provides a clear idea to the HR department while hunting for the right person. More particularly what should be the educational qualification, technical knowledge required by the job, experience and temperament and so on.

- ❖ **Begin from the Beginning**

Clearly define the work, address dress codes, iPod Volume, start times, TMI conversation etc. to maintain a healthy working relationship. Remember HR Manager's time as a learner? Now, Empathize!

- ❖ **Assign Real Projects**

The purpose of an internship is to provide the candidate a working-knowledge of business. Involve them positively in the on-going projects. Take them on a sales call or assign them tasks they can independently handle. Introduce them to clients, so his clients won't anticipate perfection every time.

❖ **Do Not Guarantee Only Interesting Work**

Please do not give any assurance that he will be assigned only those projects / assignments in which he is interested. Assignments will be a balanced mix. They should not be choosy in getting a specific assignment.

❖ **Give Feedback**

There should be exchange of feedback to and fro from the employee and his immediate supervisor. Such a feedback provides an opportunity to improve upon in the weak areas and to further develop the strong areas. This helps in making a career in the organization.

❖ **Best Grades Do Not Matter**

If one is really interested in a particularly his job his grades do not matter for the HR Manager. The employee's enthusiasm and proactive approach is heavily weighed at the time of selection.

❖ **Reference**

For an intern his or her direct manager would be the best reference they could get. So, HR Manager has to be honest and tell them whether they are good or bad. However, do not "grade" them on par with your experienced employees. Do give them the benefit of doubt.

5.7 SIGNIFICANCE OF MOTIVATION

In any business organization employee's motivation plays a predominant role. The high productivity of the motivated staff does reflect in the high productivity which ultimately help the organization to achieve its set goals.

In order to prepare a motivation strategy, it is the pre requisite that the organization should have firsthand knowledge of what motivates the employees. Then only the HR may be able to draw an effective strategy. Motivated employees perform well and that good motivational programmes help to retain the talent in the organization.

Motivational needs of the employees are varied. Therefore, number of motivation programmes need to be formulated. The programmes will include, best compensation packages, well defined and unbiased incentives, individual incentives, group incentives, rewards and recognition, developing programmes that support work-life balance, relaxed office environment. The list of programmes is endless and as the time passes the list needs to be updated.

It is usually easy to draw employee incentive programs which can be linked to the production. It is not necessary that every programme should have a monetary element. Rewards and recognition and its publicity may motivate the employee at relative low costs.

Programmes like “employee of the month” which focuses on the best performer of the month and spotlighting him/her on the websites, banners at the corporate office and internal internets, giving bonus points which may ultimately can be cashed are also some of the motivating instruments.

Key factors to increase employee’s motivation

Although on the face of it, motivating the employees appear to be easy, it is not so in real practice. It does require lot of efforts in identifying the motivational needs. It is a tricky subject for most of the managers. However, this has to be tactfully used as the organization’s success is dependent on the motivated staff.

Ultimately motivation essential means developing effective programmes that recognize and applaud the employees contribution to the organization whereby the employee will on his own offer all the potential within him. By using both tangible and intangible rewards the employee enthusiasm should be nourished.

Mr. J. P. Maroney, the founder of People Builders has enlisted five success key factors to effective employee motivation which are given in the following paragraphs.

1. Satisfaction

The employees who are well motivated are happy at work and offer their full potential in whatever assignment they are doing. Vice versa, unhappy employee's productivity gets adversely hampered. Therefore the organization should ensure that within the permissible limits (cost to company) the employees are happy all the time. It is for this reason the organization should understand as to what ensures the happiness of the employees. It is not always the monetary benefits sometimes even intangible benefits also work well (recognition, rewards, appreciation etc.).

The happiness of the employees is well translated in the satisfied customer service whereby the customers offer loyalty to the organization.

2. Appreciation

It is a human tendency that whenever he/she receives appreciation from the bosses they tend to be happy. Everyone expects that the organization should take a note of the special work that he/she has done. Therefore, managers should develop a practice to appreciate the employee's efforts and praise them on the floor. If it is done frequently for just cause naturally the employee stands fully motivated and committed to the organization. Particularly when there are in house meetings such praising of the employee brings wonderful results. It also gives a signal to the other employees that their good performance will also be appreciated and they will stand inspired.

3. Recognition

Satisfied employee is an asset and the management should realize it at all times and treat the employees as assets. The way one takes care of the other assets similarly this human asset also requires to be recognized.

The managers should cultivate habit of recognizing the work put in by the employees and wherever considered appropriate rewards be also given after studying the cost benefit of the implementation of the particular suggestion. Accomplishment of any job well before the scheduled time in a

satisfactory manner should receive appreciation and recognition. Depending upon the recognition, it may be held in the regular staff meetings or in a specially convened meeting.

Not only should that if any of the employees as achieved even outside the organization, in a society such achievements also be recognized. This motivates the employee to do similar good jobs in future.

4. Inspiration

Employees who have performed well and have been properly recognized of their achievement prove to be role model and provide inspiration to their colleague. Therefore, these role models be given due publicity in bulletins, banners in the entrance etc.

When leaders lead from the front, employees will be inspired to follow them. Employees will be happy to work for an organization that is true to its beliefs and works towards realizing its dreams. Since every employee aspires the same, he will take inspiration from the organization itself. Inspired employees are also motivated and loyal.

5. Compensation

In number of surveys carried out in different industries it has been observed that the first and foremost priority is accorded by the employees to their compensation factor. If the compensation commensurate with the performance, knowledge, packages in other similar concerns, naturally the employees tend to offer their full potential and remains committed to achieve the targeted set goals. Therefore, the HR department should be on constant look out as to the reasonability of the expectations of the employees so that talented employees on which the organization has heavily invested through identification as well as training etc. remains with the organization. Of course, while saying so one should always keep an eye on the cost to the company and that there is no much discrimination amongst the equals.

Life needs and Communicating information about work and non-work policies and job demands

Companies have to understand employees' needs, solicit their input, and make work-life benefits accessible to everyone. To do so, companies need to comprehend the diversity, complexity, and reality of employees' lives. Programs should be designed to provide as many benefits as possible to meet the needs of as many people as possible.

Table 5.2: Example Work life Programs:

Company	Program
Marriott International	To encourage employees to take summer vacation, management discourages meetings and conference calls, on Fridays between May 21 and September 1.
American Electric Power	Parents can use back-up child care that offers subsidized babysitting at home or in a local child-care center.
Genetech	Busy employees can order healthy dinners on line and pick them up at work.
Patagonia	Pays for children (and their caregivers) to accompany parents on business trips. Parents can take up to seven paid days to care for an ill child. Hires a surfing instructor for employees at headquarters.
Bank of America	Created the "My Work" program, which allows associates to work at Home. Company will outfit a home office or associates can work from a fully equipped satellite office.
Moffitt Cancer Center	Leave policy gives all new moms 16 job-guaranteed weeks off, including four paid; Fathers, domestic partners, and secondary adoptive caregivers receive one paid week. Moms-to- receive two weeks of pre-maternity leave at full pay.

Source: 2008 – 100 Best Companies, Working Mother magazine Web site: www.workingmother.com

Flexibility in Work arrangements and work schedules

The HR department is also expected to ensure that there is no work life conflicts. One way of looking at it is allowing more flexibility in working hours and work locations. To help employees with their work schedules, companies should educate them about the positives and negatives of various schedules, allow them to participate in choosing their schedules, and train them in handling the physical, family and social effects of their work schedule. In the current environment when both husband and wife are working naturally they need some adjustments to take care of the family. There should be proper understanding between the HR Dept. and the employee concerned so that a sincere attempt can be made to adjust the work schedules. In certain organizations where it is practicable at times the employees are

allowed to work from home on certain occasions. Such flexibility is appreciated by the employees as they are not required to avail off leave and dislocate the work of the organization for a short period.

It has been observed that the flexible business practices attract new talent, improve productivity, raise morale and job satisfaction and reduce stress or burnout. By supporting work life policies, top level managers can reduce employees' anxiety.

Dependent Care support: Child and Elder care and adoption support

Usually the employees require support for taking care of the child or the elders in the family. Companies can certainly help the employees to deal with these requirements. Companies can help their employees in number of ways. Usually the employees require assistance for school admission or for arranging baby seating facilities etc. Company can have tie up with the reputed schools. Particularly the companies can assist the reputed schools from out of their funds for fulfilling commitment under Corporate Social Responsibility.

5.8 HR PRACTICES IN IT COMPANIES

1. Safe, Healthy and Happy Workplace

The office environment should be such that the employees should feel homely. It is worth noting that the employees spend much more time in the office than in the house. Therefore, their comforts should be properly addressed. This can be done if the employees pulse can be captured through employees' survey.

2. Open Book Management Style

The employees are very much interested to know as to the company's plans, day to day developments, new contracts, sales, induction of new clients in their portfolio, company policies, employees personal achievements etc. Therefore they expect greater degree of transparency. It helps in building trust & motivates employees.

3. Performance linked Bonuses

Today number of companies has started practice of variable compensation plan which serves an incentive to the employees. In order to get the variable pay the employees do contribute their mite to the organization. So also in some companies performance linked bonus schemes are in operation. Never pay out bonus without measuring performance, unless it is a statutory obligation.

4. 360 Degree Performance Management Feedback System

Every organization has a system of performance appraisal which is conducted at a regular periodical interval. Some companies have system of self appraisal which is reviewed by the immediate supervisor and moderated by his senior. Recently a new system of performance appraisal called 360 Degree Performance Management Feedback has been adopted by many companies. It envisages performance feedback from seniors, peers and subordinates and this is considered to be the best available methods for collecting performance feedback. Every person in the team is responsible for giving relevant, positive and constructive feedback. Such systems also help in identifying leaders for higher level positions in the organization. Senior managers could use this feedback for self development.

5. Fair Evaluation System for Employees

The HR department has to develop an evaluation system which clearly links individual performance with that of corporate business goals and the priorities. Each employee reports to a particular officer as per the management hierarchy. Evaluation becomes fairer if it is based on the records of periodic counseling & achievements of the employee, tracked over the year. For higher objectivity, besides the immediate boss, each employee should be screened by the next higher level (often called a Reviewer). Cross – functional feedback, if obtained by the immediate boss from another manager (for whom this employee's work is also important), will add to the fairness of the system. Relative ratings of all subordinates reporting to the same manager are another tool for fairness of evaluation. Normalization of evaluation is yet another dimension of improving fairness.

6. Knowledge Sharing

In the current developed technology environment storing of knowledge for ensuring accelerating effect, has become very easy. Greater access to the information instills confidence amongst the employees. Whenever any employee attends any training programme the training material received by him in the form of handouts, notes, case studies etc. can be stored on the portal and it can be accessed by the other employees interested to keep them updated. This not only helps the individual employees but in turn also helps the organization.

7. Highlight performers

Excellent top performer's profile be created and those be displayed on the company intranet, display it on the board. In turn it encourages the others to put their best and the competitive spirit can be instilled.

8. Open house discussions and feedback mechanism

Genius ideas always rule over the world. Employees are the best source for generating ideas. There is need to nurture and execute the great ideas. Open house discussions, employee-management meets suggestion boxes and ideas capture tools such as Critical Incidents diaries are the building blocks that can help the Managers to identify & develop talent.

9. Reward Ceremonies

It is not enough to recognize the talent. Those are required to be highlighted for which organization may conduct ceremonies. This provides inspiration to the others to follow their suit.

5.9 HR PRACTICES RESULT IN IT COMPANIES

In the following paragraphs the L&T InfoTech senior executives have narrated as to how the HR Practices resulted in the company in achieving 10 level People Capability maturity Model.³⁰

³⁰ Interaction with the L&T InfoTech Senior Executives by the researcher.

The **People Capability Maturity Model** is a tool that helps you successfully address the critical people issues in organization. L&T InfoTech is one of the ten companies in the world to get the PCMM (People capability maturity model) level 5 certification. Sudipta Dev executive from L&T Infotech explained how the company provides continuous learning opportunities to its employees for developing their competencies. L&T InfoTech takes great pride in its rich HR culture. This company has achieved PCMM level 5 certifications. L&T InfoTech is among the 10 companies in the world which have earned this batch of Recognition. The Company currently has a workforce of more than 4,000 professionals. “L&T has always been focused on HR,” states Dr Devendra Nath, executive vice president of L&T InfoTech. The organization believes that there are four major pillars of HR—acquiring talent, enabling talent, grooming talent and building 'the culture'. Nath asserts that competency-based HR is the essence of good HR. “It is the dream of all HR people that everything in the organization be linked through the competency matrix. Competency for every role is well-defined (technical as well as behavioral), even at the time of recruitment and succession planning,” he says, adding that once people are shown a particular career path, they should be equipped with the skills to reach that particular position. And this is enabled by enhancing competencies. Competency development is at PCMM level 3. The HR vision of the organization is to maximize 'Sigma motivation' and the organization believes that implementing the PCMM model in letter and spirit will help it achieve that.

Training emphasis

As a group, L&T has always believed in a life-long association with its people. Most of our top brass have joined at junior levels and risen through the ranks. The organization provides continuous learning opportunities to its people to develop competencies,” points out Vinod Khisty, associate vice president, Human Resources, L&T InfoTech. There is a lot of emphasis on training. It is believed that all those people who have been recruited in the organization after the stringent hiring process are already champions; consequently the entry-level training is called 'Enabling the champions'. This includes 100 days of focused training in classrooms. The modules range from technical to voice modulation to team management, etc. The soft skills training for L&T InfoTech professionals is conducted at the group's Rs 10-crore training centre at Lonavala, near Mumbai. The e-learning channel called Gyanpeeth

provides just-in-time technical as well as soft skills training. “A person in Sweden might have to make a presentation to the customer the next day. What he has to do is to just log in and learn from the programmed on presentation skills. Furthermore, based on responses the course will keep getting updated to the next higher level. The sense of satisfaction with training is very high in the company and is a great motivator,”

Stringent Recruitment

One of the rules of the recruitment process is not to encourage nepotism. This ensures that nobody enjoys a privileged position because of any relationship or association—merit is the primary criteria. Finding the right person is a painstaking effort. “During the selection process, a lot of elimination takes place. Only 4 percent of the people who apply are selected,” informs Khisty. Careful background screening of the candidate is done to judge the attitude and mindset of the individual as the organization only wants to induct those people who want to be “happy doing the job.” Furthermore, when it comes to finding unusual talent, for instance an IT professional with a financial background, they hire CAs and groom them in four months to do the job.

5.10 EMPLOYEE SATISFACTION

Introduction

In every organization the accomplishing the organization’s goals is the responsibility vested in the Chief Executive. He has a team of requisite staff at his disposal through which he gets the work done. Thus the manager’s performance is dependent on the employees reporting to him. In order to ensure high performance of the organization he has to manage these human resources in such a manner that gives desired performance. Therefore the Chief Executive has to ensure that the employees of the organization are satisfied and that they put in their best efforts in accomplishing the set goals of the organization.

There are certain parameters usually taken into account while assessing the performance of the organization. E.g. per employee turnover, per employee sales, per employee profit etc. These include multi-skilled work teams, empowered front-line

workers, extensive training, labour-management cooperation, commitment to quality and customer satisfaction. High performance practices generally aspire to help workers to manage themselves.

It is therefore necessary that the Human Resources Development department has to ensure that right from recruiting, screening, training and motivation aspects are taken seriously and that the right employee has been posted at the right place.

Today after the globalization the industry is facing tremendous competition and hence it is important for the Executives that they have to develop their own staff and strategies which will excel in achieving the desired organizational goals. Sound HR policies lead to promote organizational effectiveness.

The thrust of the organization to develop motivated and committed employees who will involve themselves in the organization's activities. Building motivated and committed employees is a very crucial task and takes long time. HR department has to make special efforts for this purpose. For this purpose it is necessary to understand as to what makes the employees satisfied so that they can offer their full potential.

Achieving job satisfaction is a long drawn process and it can be achieved as the employee gets experience. For development of employee satisfaction much time is taken while it declines at a faster rate. Therefore, the HR department should attempt continuously achievement of satisfaction of their employees. Employees interest should be taken into account while developing the HR strategies. Like other attitudes, job satisfaction consist of emotional, informational, and variety of sources, and can serve a number of functions for the individual. Job dissatisfaction does mean lack of motivation at work.³¹

Job satisfaction is optimistic and it gives feeling of happiness, joy and delightfulness. Job satisfaction builds confidence employee's personality. It also develops loyalty with the organization.

³¹ Subba Rao, P. (2006). Personnel and Human Resource Management, Himalaya Publishing House, Mumbai, Pg. 268.

Defining Employee Satisfaction

1. Employee satisfaction is the amount of overall positive effect or feelings that individuals have towards their job.³²
2. Employee satisfaction is a reintegration of effect produced by individual's perception of fulfillment of his needs in relation to his work and the situations surrounding it. (Sinha, 1974).³³

Significance of Employee Satisfaction

For the Executives the study of employee's job satisfaction is very much important for the following reasons.

- It provides opportunity for further improvement.
- It focuses on the reasons for discontentedness of the employees.
- It brings out the factors which the employees value most.

Job satisfaction leads to life satisfaction in the short term.

Tools of Employee Satisfaction

Job

Hours of work, nature and type of work, colleagues in the office, promotional opportunities and advancement in a reasonable span of time, physical environment and machines, equipment and tools etc. are the factors that decide the job satisfaction.

Management

The approach of the immediate supervisor, recognition, reward and punishments, appreciation, unbiased and fair employees' policies, compensation, fringe benefits, transparency, etc. are the factors connected with the management.

Social Relations

Attitude towards people in community, participation in social activities, caste barriers, etc.

³² Singh, Y., & Pandey, M. (2004). Organizational Behaviour, A.I.T.B.S. Publishers and Distributors (Regd.), Delhi, First Edition, Pg. 206.

³³ Saiyadain, M. S. (2003). Human Resource Management, Tata McGraw - Hill Publishing Company Limited, New Delhi, Third Edition, Pg. 13.

Personnel Adjustment

Emotionalism, health, home and living conditions, finances, relations with family members, etc

5.11 DETERMINANTS OF EMPLOYEE SATISFACTION

Race and Gender

Women are relatively lesser ambitious and they get satisfied with even little favourable things. Therefore gender is also one of the determinants of job satisfaction.

Age

There is a positive correlation between age and job satisfaction. As the man matures he tends to be satisfied as he gets accustomed with the job conditions over a time. Younger generations demand is always more.

They often tend to report dissatisfaction, probably because they find that they are not going ahead fast enough.

Working Conditions

Job satisfaction is related to working conditions also. The work will be more satisfying if working conditions are congenial to the task a worker proposes to accomplish. Good working conditions involve such facilities as adequate light, comfortable temperature, attractive surroundings etc.

Job Content

Herzberg holds the view that job content factor such as achievement, recognition, advancement, responsibility and the work itself tend to provide satisfaction but their absence does not tend to create dissatisfaction. Also job satisfaction is related to the aptitude of the employee. If the employee is given a work for which he has no aptitude, the job will provide no attraction to him.

Employee Morale

If the employee morale in an organization is high, satisfaction with job is likely to be high and vice versa. The worker will be loyal to the organization if their

morale is high. The rates of absenteeism and labour turnover will also be low because of psychological satisfaction from the job.

Avenues of Promotion

Opportunities of promotion affect job satisfaction considerably. The desire for promotion is generally stronger among higher level employees. It is no surprise that the employee takes promotion as the ultimate achievement in his career and when it is realized, he feels extremely satisfied.

Specialization

It also leads to greater efficiency, but it also contributes to dissatisfaction. Repetitiveness of task is found to be boring and monotonous by workers. Greater variety of tasks may not increase satisfaction unless the tasks form a unified, integral and meaningful whole.

Work Group

People seek satisfaction of their social and psychological needs in the interaction with others in a group situation. However, the amount of satisfaction that a person derives from interaction with his co-workers depends on his own need for affiliation. If the group enjoys a higher status, the employee's level of job satisfaction will increase further.³⁴

Number of Dependants

It has been found that if white-collar workers in America have more number of dependants one has, the less satisfaction he has with his job. In the Indian study by Sinha and Nair, workers having to support fewer dependants (one to four) tended to have higher job satisfaction while those with five or more dependants tended to be dissatisfied.

³⁴ Singh, Y., & Pandey, M. (2004). Organizational Behaviour, A.I.T.B.S. Publishers and Distributors (Regd.), Delhi, First Edition, Pg. 208 - 211.

Education

Indian studies have generally shown that there is a tendency for the more educated workers to be less satisfied and conversely the less educated workers to be more satisfied.³⁵

Factors Controllable by Management

Salary

Adequate salary plays a significant role in influencing job satisfaction. This is due to two reasons. First, money is an important instrument in fulfilling one's needs. Secondly, employees often see pay as a reflection of management's concern for them. Employees want a wage or pay system which is simple, fair and in line with their expectations and if these criteria are met they feel satisfied.

Security

Job security is the second most important preference out of various job factors. In short while getting a job is of foremost importance being secured on the job is the very next requirement of the Indian worker. This is understandable in the face of widespread unemployment, uncertainties in the employment market and the conditions which are often termed as unfair labour practices.

Opportunity for Advancement

The fact that opportunity for advancement is so highly ranked may lead to the interpretation that every worker will want to get promotion and will feel satisfied in getting it.

Co-workers

It has been found that relationship with co-workers, usually considered as a hygiene, extrinsic, or dissatisfier factor and considered as the most important satisfier among a group of highly skilled personnel. Moreover it was also found that friendly people to work with was ranked fairly high by better performers whereas it was ranked low by poorer performers.

³⁵Ghosh, P.K., & Ghorpade, M.B. (2010). Industrial Psychology, Himalaya Publishing House, Pvt. Ltd., Mumbai, Fourth Edition, Pg. 334 - 335.

Fringe Benefits

Adequate personal benefits have been given frequently moderate ranking within the Indian studies. It has been found that fringe benefits including housing, canteen, etc. are rated second in importance to wage and salary.

According to Baron certain factors which influence job satisfaction are as follows:

Table 5.3: Factors Influencing Employee Satisfaction

Factor	Comment
1. Challenging work	Work should be interesting, but not fatiguing.
2. Rewards for good performance	Clear contingencies between performance and reward are desirable.
3. Verbal recognition	Appreciations, praises and feedbacks.
4. Good working conditions	Physical working conditions should be comfortable.
5. Concerned supervision	Supervisors should demonstrate their concern for helping employees.
6. Positive interpersonal relations	Satisfaction is strongly enhanced by friendly relations and supervisors with co-worker
7. Effective company policies	These should aid employees to attain goals.

Source: John W. Kendrick, Understanding Productivity, John Hopkins, Baltimore, (1977), Pg. 14.

5.12 EFFECT OF EMPLOYEE SATISFACTION ON PERFORMANCE

For a very long time it was believed that satisfied workers were productive workers, but later studies found it to be a myth. The traditional view that a happy worker is a productive worker does not clarify the complex relationship between job satisfaction and productivity. No doubt some studies have reported positive correlation between satisfaction and productivity but these are often not statistically significant.

Herzberg analyzed the results of twenty six studies focusing on the relationship between job satisfaction and productivity. Fourteen of these showed that worker with positive job attitudes had higher productivity than those with negative attitudes. In nine studies job attitudes and productivity were not related and in three studies workers with the positive attitudes had poorer production records than those with negative attitudes.

5.13 CONSEQUENCES OF EMPLOYEE SATISFACTION

From an individual as well as organizational effectiveness viewpoint it is significant to understand the relationship of satisfaction to outcome variables. The effect of job satisfaction on some key organizational and individual factors is given below:

Performance

There are essentially three perspectives on the relationship between performance and job satisfaction. They are:

- ❖ The traditional human relations approach suggests that satisfaction leads to exerting more effort by employees and subsequently results in higher levels of performance. It is the common sense view that a satisfied worker is also a more motivated and productive worker.
- ❖ The second approach suggests that performance indirectly leads to satisfaction as performance levels affect the rewards employee receive. Thus, performance and satisfaction will most strongly be correlated when rewards are made contingent upon performance than when they are not.
- ❖ Another alternative view is that there is no specific relationship between job satisfaction and performance - offering hardly any comfort to those seeking to confirm that a satisfied employee is a productive employee.

Turnover

Most research studies indicate that satisfied workers are in general less likely to leave the organization. These studies find a little over 15 per cent of variance in turnover to be associated with variance in satisfaction. Thus there is a moderate association between satisfaction and turnover (Lee and Mowday, 1987) because it is perhaps only one of the many factors responsible for an individual's decision to quit.

Absenteeism

It is widely known that absenteeism causes costly interruptions at the work place. Since temporary workers replace regular workers it can also result in poor quality products. Hence there is an inverse relationship between satisfaction and absenteeism (Kumari and Singh, 1998). Besides, while job satisfaction will not necessarily lead to low absenteeism, low job satisfaction is inclined to bring about an increase in absenteeism.ⁱ

Organizational Citizenship Behaviour

It seems logical to assume that job satisfaction should be a major determinant of an employee's organizational citizenship behaviour (OCB). Satisfied employee would seem more likely to talk positively about the organization, help others, and go beyond the normal expectations in their job. Moreover, satisfied employees might be more prone to go beyond the call of duty because they want to reciprocate their positive experiences. Thus, evidence suggests that job satisfaction is moderately correlated with OCBs.ⁱⁱ

Mental Health

Studies have reported that high job satisfaction is associated to better mental health (Sutaria, 1970; Gunthey and Singh, 1982). Employees with good mental health have found to learn job-related tasks faster, have less on-the- job accidents, and reports fewer grievances. Another aspect of mental health could be the degree of frustration experienced on the job and its impact on the work and life of employees. Prolonged dissatisfaction can result in frustration.

Culture

Research has uncovered that executives in less industrialized countries have lower job satisfaction. Besides, Japanese workers were reported to have significantly lower job satisfaction than US workers (Lincoln, 1989). In a comparison of employees in the US and India, factors that lead to job satisfaction were found to differ greatly. While leadership style, pay, and security influenced job satisfaction for the Americans, for Indians recognition, innovation, and the absence of conflict led to job satisfaction (Krishnan and Krishnan, 1984).

Non-Work Life

Researchers have reported that there is a spillover of job satisfaction to other spheres of life too. In other words, satisfaction in job seems to increase satisfaction in other spheres of life or what is called satisfaction in general (Mehta, 1978). A Meta analysis by Kossek and Ozeki (1998) of fifty studies with fifty groups found a negative relationship between all forms of work-family conflict and job and life satisfaction. Women are found to be more adversely affected by work-family conflict than men because of their double responsibilities of work and home.

5.14 MEASURES TO INCREASE EMPLOYEE SATISFACTION BY MANAGEMENT

Job Enlargement

To check the harmful effects of specialization, the engineering factors involved in each individual job must be carefully analyzed. Perhaps the assembly lines can be shortened so that there will be more line and fewer workers on each line. Moreover, instead of assigning one man to each job, a group of men can be assigned to a group of jobs and then allowed to decide for themselves how to organize the work. Such changes permit more social contacts and greater control over the work process.

Job Rotation

Many companies are seeking a solution to on-the-job boredom through systematically moving workers from one job to another. This practice provides more variety and gives employees a chance to learn additional skills. The company also benefits since the workers are qualified to perform a number of different jobs in the event of an emergency.

Change of Pace

Anything that will give the worker a chance to change his pace when he wishes will lend variety to his work. Further if workers are permitted to change their pace that would give them a sense of accomplishment.

Scheduled Rest Periods

Extensive research on the impact of rest periods indicates that they may increase both morale and productivity. Scheduled rest periods bring many advantages:

- ❖ They counteract physical fatigue.
- ❖ They provide variety and relieve monotony.
- ❖ They are something to look forward to-getting a break gives a sense of achievement.
- ❖ They provide opportunities for social contacts.

Shorter Hours

Shorter work-day in many cases leads to higher production, reduced absenteeism, accident rate, and giving a feeling of accomplishment. Most people get a sense of accomplishment from completing a whole job. If the job becomes too specialized, the worker loses his feeling for the relationship between his work and the overall process. The concept of whole job gives satisfaction to a worker:

- That he plays a significant part in the work process as a whole, and
- That the process itself is important.

Greater Autonomy

Possibly the single most effective way of increasing job satisfaction is to give workers more freedom to do their work in their own way. People will work harder and derive satisfaction if they are given the freedom to make their own decisions.

Automation

The effect of automation on job satisfaction depends largely on the degree of automation that is introduced. Clearly, automation means different things in different situations, and it is difficult to state firmly that it either decreases or increases job satisfaction.

5.15 EXPECTATIONS OF EMPLOYEES REGARDING SATISFACTION

1. Recognition as an individual.
2. Meaningful task.
3. An opportunity to do something worthwhile.
4. Job security for himself and his family.
5. Good wages.
6. Adequate benefits.
7. Opportunity to advance.
8. No arbitrary action – a voice in matters affecting him.
9. Satisfactory working conditions.
10. Competent leadership - bosses whom he can admire and respect as persons and as bosses.

Thus, job satisfaction refers to an employee's general approach towards his job. To the extent that a person's job fulfills his principal needs and is consistent with his expectations and values, the job will be satisfying. A number of characteristics such as pay and benefits, supervision, working conditions, the nature of the work itself, and company policies, affect job satisfaction.

CHAPTER VI

ANALYSIS AND INTERPRETATION OF DATA

6.1 INTRODUCTION

Best HR Practices

Researcher has already defined what best HR practices are and what their significance in any organization is, whether it is a manufacturing organization or a service organization. We have also seen in the earlier paragraphs what employee satisfaction is. Now, in the following paragraphs the researcher has brought out the impact of the Best HR practices on the employee satisfaction and how to measure it.

Compensation, various allowances, authority, learning opportunities and well drawn career path are the factors that influence the employee satisfaction. The companies while recruiting any employee keep its one eye on the employees cost to the companies and decides the various components of the compensation. There are factors other than the compensation, like organizational culture etc. which have a bearing on the employee satisfaction. Now the companies have realized through their experience that the satisfied employee is an asset to the organization and on this satisfaction the performance of the company is dependent. Therefore the sound managements take this aspect in view and take long term decisions.

Since the performance of the organization is dependent on the consumer satisfaction and for achieving it the company has to incur heavy costs, naturally the companies are constantly measuring the customer satisfaction. They identify as to what the consumer needs. They also understand the consumer's perception of the product. The factors which motivate the consumer in taking a buying decision are also studied by the marketing team of the company. As against this in order to understand and assess the employee satisfaction there are several factors which the company has to keep in mind. The foremost factors to bear in mind are the per employee productivity, per employee profit, absenteeism percentage and the rate of attrition and employees turnover. If the productivity and profitability per employee shows an increasing trend it can safely be concluded that the employee satisfaction level is high.

Satisfaction cannot be ascertained by using any mathematical formula. This needs to be ascertained indirectly relating it to the production, profitability etc.

It has been proved beyond doubt that there is a direct relation between the employee satisfaction and the productivity and profitability and achievement of the other goals. If the employees are not satisfied it does impact on the production, its quality, rejection rate and ultimately the performance of the organization. Therefore, it has now been a proven fact that the employee's satisfaction has a direct bearing on the performance of the company. This chain of events can be shown in the following way:

- ❖ Consumer's satisfaction about the quality of the product as well as the low rejection rate.
- ❖ Employee's devotion, dedication for the achievement of the organizational goals.
- ❖ Employees' loyalty has its impact on the productivity of the employee.
- ❖ The value of the product is also dependent on the increase in productivity.
- ❖ The quality product pushes the demand for the product.
- ❖ Ultimately the customer's satisfaction results in building up of the customer's loyalty and in turn the achievement of the corporate goals.

Thus for every organization the mechanism for measuring the employee satisfaction as well as customer satisfaction and loyalty is of paramount importance. Higher the employee satisfaction higher is the commitment and higher the commitment, higher is the employee's contribution.

Keeping in view the foregoing discussions, the researcher has also analyzed the performance of the identified organizations on these two primary parameters i.e. per employee productivity and per employee revenue /profit after tax. The researcher has also tried to get the data relating to the rate of absenteeism as well as workforce turnover of these identified companies. This has helped the researcher to understand the extent of impact on the performance of the identified companies.

Very often in the management jargons the term Organizational Culture is used. It is a concept developed by research. It explains the attitudes, values, beliefs, experience of the organization and the psychology. Usually it is values cherished by the individuals and groups in the organization. The method of interaction amongst the employees, the customers as well as the suppliers and stakeholders depicts the organization culture.

The management and the executives play a significant role in developing a healthy organizational culture. Involving the employees at various levels in the decision making process, and ensuring the visualization of the transparency in decision making, helps to build good organizational culture.

Employees have their own perception of the various values, beliefs and the management's attitude towards not only the employees but also the suppliers, customers and the stakeholders. How positive is the management in expressing these values decides the organizational culture. Sound organizational culture binds all the employees to the organization and wins their loyalty which ultimately results in the fair achievement of the corporate goals. This organizational culture has a great bearing on the employees satisfaction which helps them in offering full involvement in the company's activities.

Earlier research has proved that there is direct relation with absenteeism as well as employees' turnover. If the organization is observing best HR practices naturally the employee will not be tempted to remain absent and also to continue with the organization. In today's technology driven environment there are number of companies which are adopting various new practices. E.g. Now for a casual work of few hours the employee need not avail of any leave as such but he/she can request the company to permit him to work from home so that he/she need not take leave and the company's work is also not suffered. Of course this is possible only in service industry and partially for the manufacturing companies. Even the working hours can also be got adjusted to suite the employee's needs. There are certain works normally the employees are required to attend e.g. filling of Income Tax Return, Work with the Regional Transport Office, Medical checkup etc. for which the employees are required to be away from the work place for some time and they avail of leave. But if

there is any alternative for this, they would prefer to work in the company and be away for a short time to attend to these small works. Now some companies are making arrangements with the various govt. organizations like IT Office, RTO office, Insurance Cos. etc. to depute their staff at the company's office and extend these routine services. This system is in operation for quite some time and is working smoothly. This approach helps both the employee and the organization as the employee is not required to consume his leave and at the same time the company's work is not hampered.

6.2 PRIMARY DATA PRESENTATION AND ANALYSIS

Categorization of Human Resources in a large scale organization

The perception of Best HR Practices differs from individual to individual. It also differs from the category of employees. Usually the middle and senior management are conscious about the status needs and hence to them HR practices relating to the status recognition are relatively more important than others. Same is the case with the operative employees who are the members of the trade union and who are able to reap the benefit of collective bargaining, they are more conscious about the compensation package and other fringe benefits which can be convertible in cash. Hence, in order to study the best HR practices the researcher has made out the following three categories which are commonly seen in large scale organizations.

Category of employee	No. of employees selected
1) Senior Management	20
2) Middle Management	140
3) Operative Employees who are allowed to form Trade Union	240

Best HR Practices prevailing in various organizations

It has been seen that there are number of best HR practices observed by various companies. It all depends on the category of employees. The employees in Senior and Middle Management grade have different preferences than the office staff as their approaches towards the job satisfaction are different. In the following table the researcher has brought out the various aspects for which the Senior Management and Middle Management give priority for the HR practices. In the same process the junior management have different preferences for HR practices.

Table 6.1: Senior & Middle Management's Priority for the Best HR practices

Best HR Practice
<p>Work Environment:</p> <ol style="list-style-type: none"> 1) Safety 2) Pleasant atmosphere 3) Availability of latest electronic gadgets 4) Air conditioned office 5) Delegation of powers 6) Promotional opportunities 7) Advanced Training in Management or subject related specialized areas 8) Availability of well equipped gym at the work place. 9) Availability of various service providers at the work place: e.g. R.T.O. official visit to the work place for providing various services related to the staff's vehicles. Provision of school admission/ provision of sale of branded items at the work place during festivals etc.
<p>Open Management</p> <ol style="list-style-type: none"> 1) Happenings in the company 2) Involvement in decision making 3) Giving special responsibilities 4) Forum for sharing ideas 5) Deposition of trust 6) House Bulletin
<p>Compensation:</p> <ol style="list-style-type: none"> 1) Annual increase 2) Overseas tours with family 3) Other perks like furnished bungalow 4) Provision of staff at the residence 5) Provision of amenities at the residence 6) Provision of new allowances

1) Workmen Category's Priority for the Best HR Practices

Work Environment:

- 1) Safety
- 2) Pleasant atmosphere
- 3) Availability of latest electronic gadgets
- 4) Air conditioned office
- 5) Delegation of powers
- 6) Promotional opportunities
- 7) Advanced Training in Management or subject related specialized areas
- 8) Availability of well equipped gym at the work place.
- 9) Availability of various service providers at the work place: e.g. R.T.O. official visit to the work place for providing various services related to the staff's vehicles. Provision of school admission/ provision of sale of branded items at the work place during festivals etc.

Open Management

- 1) Happenings in the company
- 2) Involvement in decision making
- 3) Giving special responsibilities
- 4) Forum for sharing ideas
- 5) Deposition of trust

Compensation:

- 1) Annual increase
- 2) Overseas tours with family
- 3) Other perks like furnished bungalow
- 4) Provision of staff at the residence
- 5) Provision of amenities at the residence
- 6) Provision of new allowances

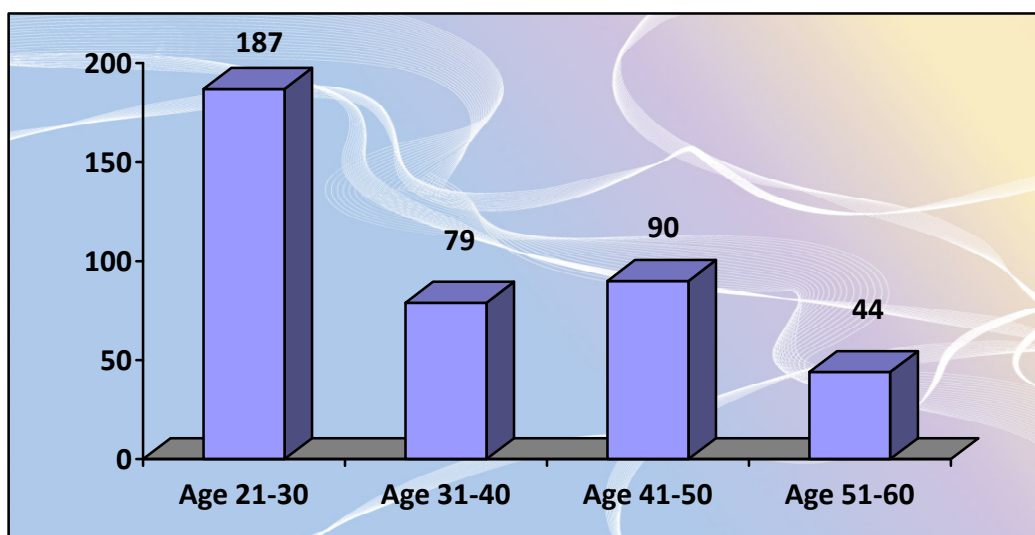
2. Age wise classification of the respondents

The age of the employee has a bearing on the assessment of the Best HR practices. If the employee is young he is ability to move from one organization to the other until he gets job of his choice is high. In case of the aged employees he has to take into account various factors attendant to the family and hence his mobility is relatively less. Hence the identified sample has been categorized on the basis of the age group. It reveals the following:

Age between 21-30	Age between 31-40	Age between 41-50	Age between 51-60	Total
187	79	90	44	400

Source: Field survey data

Fig. 6.1 : Age wise classification of the respondents



Observations

It can be seen that out of the 400 respondents 46.75% were in the age group of 21 to 30, while 19.75% were between 31 to 40 years, 22.5% were in 41 to 50 and 11% were in the age group of 51 to 60. The respondents in the age group of 21 to 30 were mainly the new entrants in the jobs while those in the group of 51 to 60 mainly represented the executive cadre.

It can be observed from the data collected that in respect of the Sr. Management employees barring the exception of a solitary employee in the age group

of between 31-40 rest of the Sr. Management employees are in the age group of over 40 years. The solitary young executive in senior management grade is a Chartered Accountant. That is the employees have fairly worked with the organization and have acquired experience as well as maturity. The Middle management employees have a fair spread throughout the age span plotted. So far as the employees are concerned the majority (65%) of them are below 40 years. Company (KOEL) is a fairly old company and that is why there are 10 employees who are above the age of 50 years.

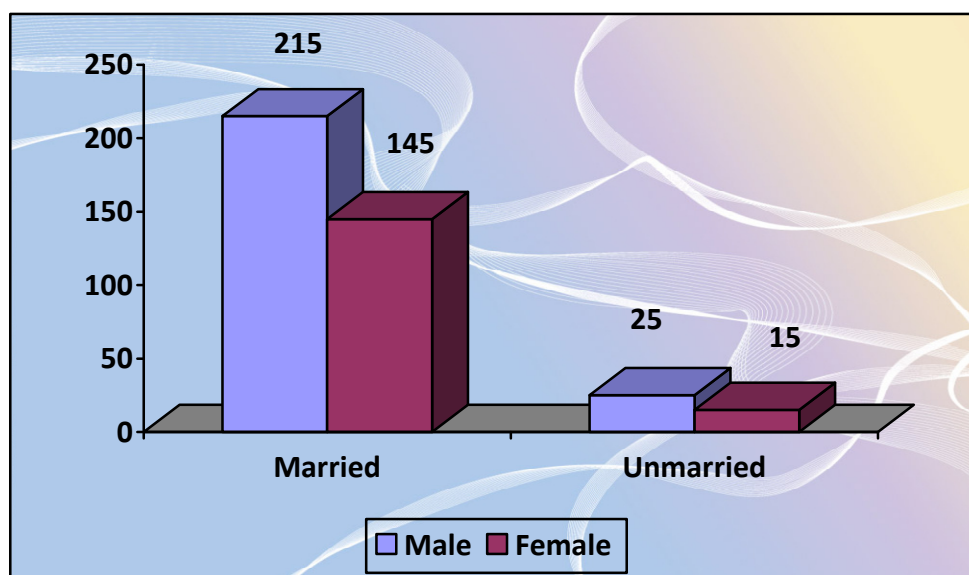
3. Marital Status of the identified sample

The marital status of the employee has a bearing on the employees satisfaction. If the employee is a bachelor he is very much mobile as he does not carry many responsibilities. If the employee is a married he has to take into account several factors like accommodation, education, society life, communication facilities, etc. Hence the data on this score has been collected and presented in the following table:

Table 6.3 : Marital status wise classification of the respondents					
Male		Female		Total	
Married	Unmarried	Married	Unmarried	Married	Unmarried
215	25	145	15	360	40

Source: Field survey data

Fig. 6.2 : Marital status wise classification of the respondents



Observation

In the identified sample, 90% of the respondents were married.

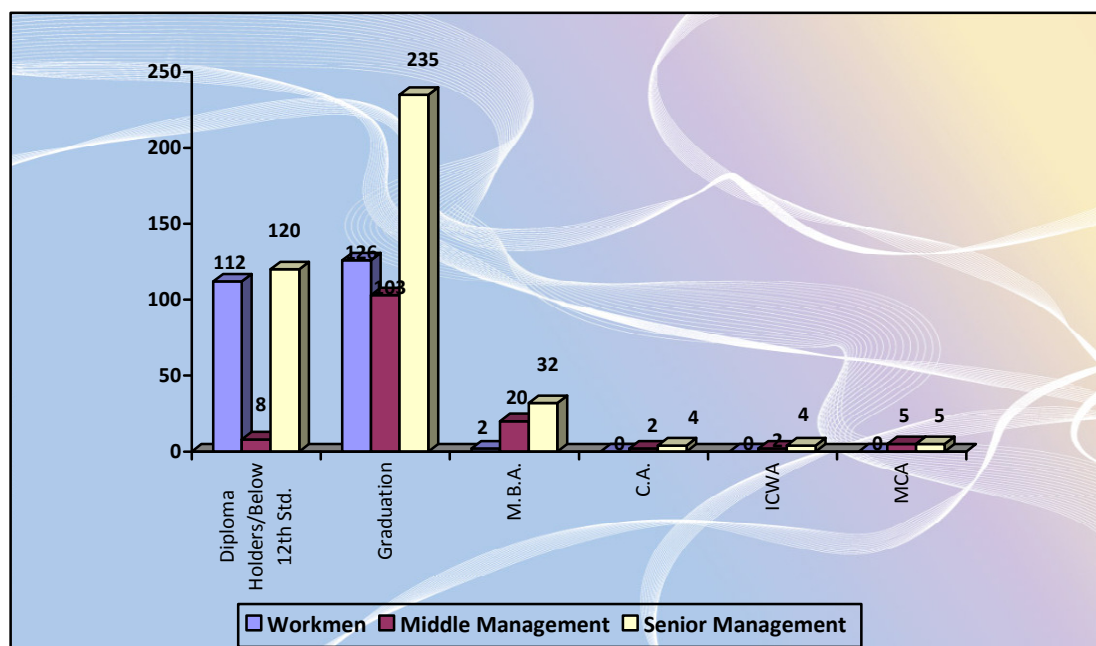
4. Educational Qualifications

The educational qualifications have a bearing on the mobility of the employees. If the employee is highly qualified and particularly professionally qualified there would be higher demand for such a qualified person. Hence the availability of the job opportunities may attract the employee to compare with the overall compensation package offered and take a suitable decision. Keeping this aspect in mind the researcher has also analyzed the educational background of the respondents which revealed the following data.

Sr. No.	Management grade	Diploma holders /Below 12 Std. /ITI pass outs	Graduation	Post graduation /Professional qualifications				Total
				M. B. A.	C.A.	ICWA	MCA	
1	Employees (members of the Trade Union)	112	126	2	0	0	0	240
2	Middle	8	103	20	2	2	5	140
3	Senior		6	10	2	2	0	20
	Total	120	235	32	4	4	5	400

Source: Field survey data

Fig. 6.3 : Education wise classification of the respondents



Observation

The above data reveals that 30% of the respondents had less than 12th standard education. They mainly come from the workers class as the study also covers two manufacturing industries. Graduates account for major portion i.e. 58.75% of the respondents are graduates in various discipline while 11.25% were having professional qualification in addition to graduation. These mainly represented the executive respondents.

The above data reveals that all the senior executives are post graduates or are having a professional qualification.

In the middle management 8 employees are having diploma while 103 have obtained graduation degree, and the rest are having post graduation / professional qualifications.

In the employees category there are 112 i.e. 46.66% of the sample who have studied upto XII standard. 126 are having diploma while 2 are postgraduates. The graduate employees are mainly working in the back office (accounts, marketing etc.)

5. Work experience

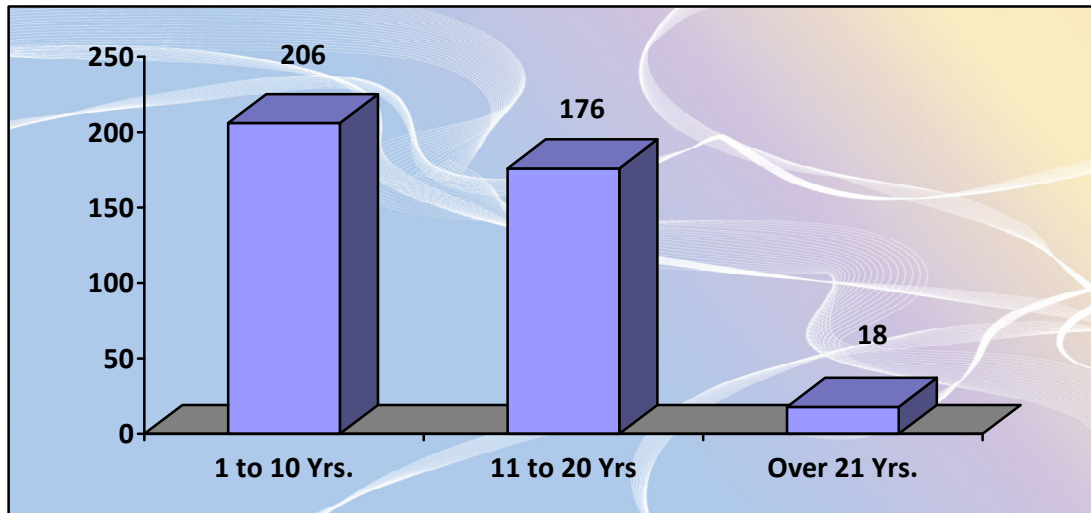
Work experience has a bearing on the employees' views about the HR practices introduced in an organization. The senior employee's views differ from that of the junior employees. Junior employees have greater expectations and offer mobility and hence their assessment of the HR practices have greater expectations from the management. This has been reflected in their responses on the relevant questions which have been analyzed in the subsequent paragraphs which deal with the justification of hypotheses.

Table 6.5 : Work experience wise classification of the respondents			
Experience of 1 to 10 years	Experience of 11 to 20 years	Experience of over 21 years	Total
206	176	18	400

Observations

It is quite obvious that IT industries being of recent origin the experience level as depicted in the above table is quite acceptable.

Fig. 6.4: Work experience wise classification of the respondents



Observation

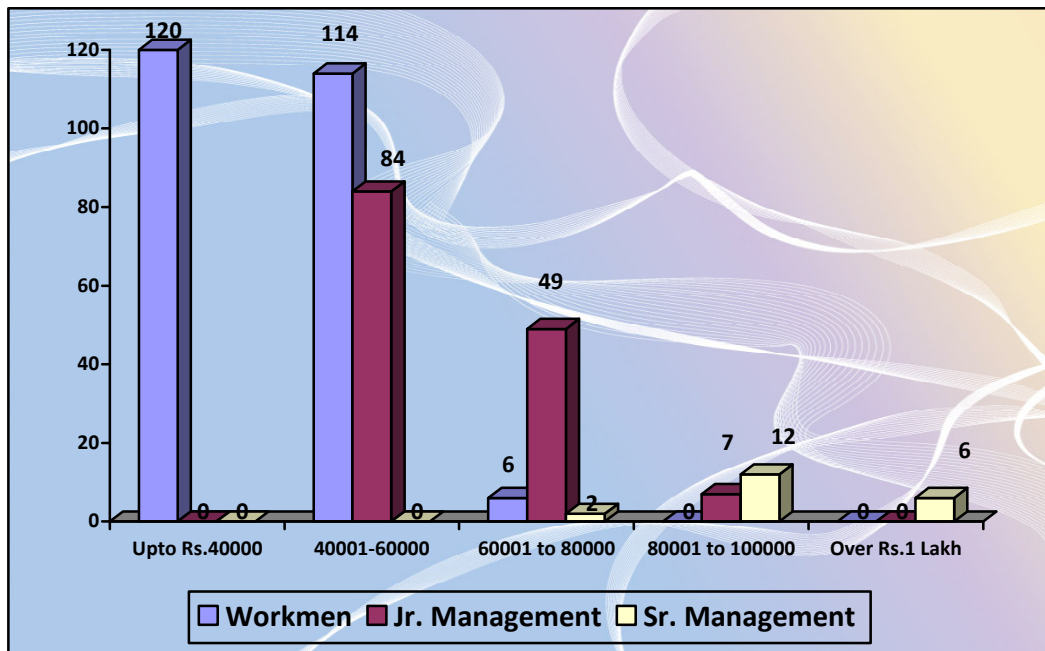
51.5 % of the respondents were having 1 to 10 years, while 44% were having work experience of 11 to 20 years, while rest 4.5% were having experience over 21 years.

6. Monthly emoluments wise classification of the sample

In fact, of all the factors that are taken into account for leaving the organization the monthly monetary compensation is the most vital criterion for continuing with the organization. If the compensation is not favourable in tune with the compensation being given by the other comparable concerns naturally it may induce the employee to switch on to other job. Therefore, the organizations should, while deciding the monthly monetary compensation have to take into consideration the compensation given in the area by the similar organization. This is a vital consideration for the employees to take their decision about the continuance with the present organization.

Table 6.6 : Monthly emoluments wise classification of the respondents					
Grade	Up to Rs.40000	Rs.40001 to Rs.60000	Rs.60001 to Rs.80000	Rs.80001 to Rs.100000	Over Rs.100000
Employees (Members of trade union)	120	114	6	0	0
Middle Management	0	84	49	7	0
Senior Management	0	0	2	12	6
Total	120	198	57	19	6

Fig.6.5 : Monthly emoluments wise classification of the respondents



Observations

It can be seen from the above data that all the Sr. Management employees are drawing an annual compensation of Rs.7.00 lakhs and over.

Same is the case with the Middle Management employees in which case 84 employees are getting annual compensation over Rs.6.00 lakhs while 56 are drawing over Rs.9.00 lakhs.

So far as the employees –workers are concerned 120 employees are drawing annual compensation of Rs.5 lakhs while 114 employees are getting compensation between Rs. 6 lakhs to Rs.7.5 lakhs. Only 6 employees are getting annual compensation over 7.5 lakhs

7. Grade wise and gender wise classification

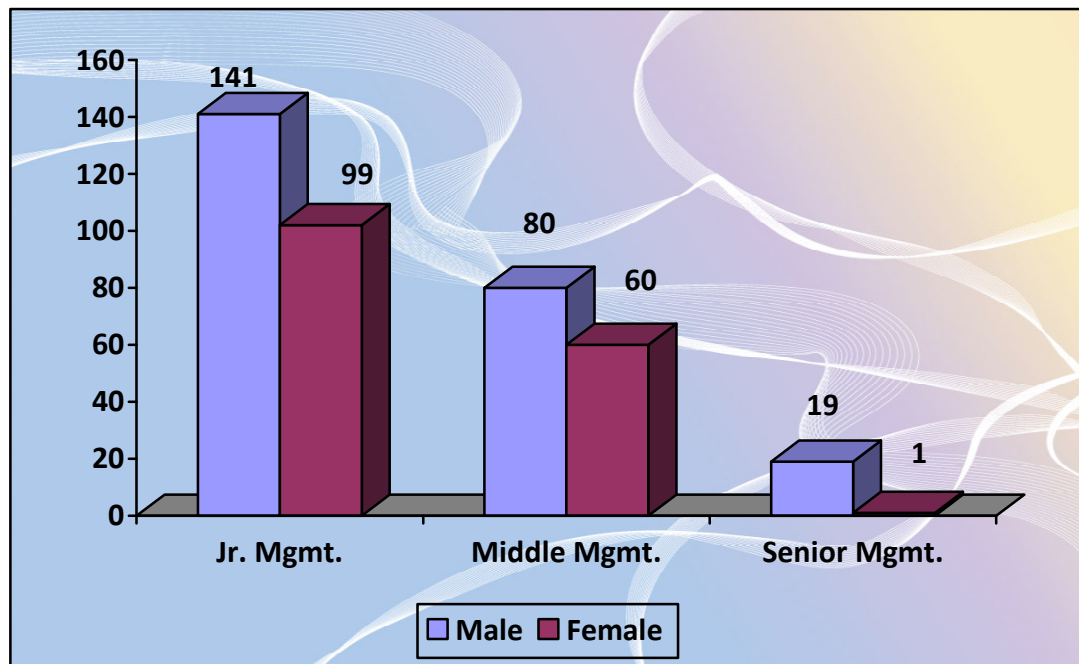
Grade wise and gender wise classification of the employees has also a bearing on the employee’s turnover. Usually there are limitations on the mobility of the female employees. After the marriage their preference is always for a place where the spouse is employed. Hardly few women who are interested in making career and who do not have any family responsibility offer mobility and may consider in switching over the job for better prospects.

So also in the case of junior management the employee turnover is relatively less. Only those who are competent and have set a career goal to be achieved they may only think of switching over to the progressive organization offering better overall compensation package.

In the case of senior management grade usually the switch over is considered only when there are no further promotional opportunities, or there is no fine tuning with the management or where there is no properly defined authority responsibility relationship. At this age usually the authority consideration plays a vital role.

Table 6.7 : Management grade wise, gender wise classification of the respondents					
Junior Management		Middle Management		Senior Management	
Male	Female	Male	Female	Male	Female
141	99	80	60	19	1

Fig.6.6 : Management grade wise, gender wise classification of the respondents



Observations

Since two IT industries are covered by this study naturally the number of female respondents is 42.85%. In manufacturing industries the female percentage is negligible. Whatever female presence we find in manufacturing industries is limited to Accounts and Administration Dept.

Analysis of the Data from each of the Company under Study

The researcher has presented here under the data collected from each of the identified company for this study. Although this research has been stated to be for the period financial year ending 31st March 2007 to 2012, wherever available the data for the subsequent period has also been incorporated.

1. Tata Motors Group

This is a automobile manufacturing industry engaged in manufacturing trucks, cars, pickups etc. Brief profile of this company has been presented in the Chapter IV of this study. The following are the highlights on Human Resources Front during the respective years:

2007

- ❖ This TATA MOTORS Group enjoys very cordial relations with its employees and workers.
- ❖ These cordial relations between the management and the workmen unions help in implementing the reforms smoothly and to improve the quality, arresting costs, and improving the performance on the productivity front.
- ❖ This being a large engineering industry where there is scope for accident, the company accords top priority to the safety of the staff at all costs. Right from the Board of Directors, executives everyone is concerned about the employee's safety and at all management levels there are Safety, Health and Environment Committees are constituted and functioning smoothly.
- ❖ The company has so far imparted defensive driving training not only to its employees but also to its contractors who are regularly involved in the company's operation. This training has been imparted to over 8000 members.

2008

- ❖ The company's wage settlement with the employees union was overdue for renewal. The company has now entered into a new wage settlement to the satisfaction of both.
- ❖ During this year, the Business Today magazine has awarded India's Best Managed Company in Automobile sector. This selection for the award was done by an International firm namely Ernst and Young.

2009

- ❖ Along with the other plants in various parts of India, Pune plant has been awarded certification from Occupational Health and Safety Management System Specification (OHSAS 180001 2007).
- ❖ The Company's plant at Pune has received a certificate with SA-8000, for the global social accountability standard for working condition and labour practices as well as facilities extended to their suppliers and vendors.

2010

- ❖ The company continued to receive best cooperation from the workmen union for all its management initiatives to improve its performance.

2011

- ❖ The management and employees relations remained quite cordial and healthy throughout the year.

2012

- ❖ The management has taken number of initiatives for the health and wellness of the employees and has developed Health Index metrics in all its plants in India.

2013

- ❖ The company was successful in renewing the wage settlements and other terms and conditions with the employees unions.

2014

- ❖ The company's focus is to ensure safe and healthy workplace for its employees and developed right safety culture in all its plants in the country.

Table 6.8: Total employees of Tata Motors during the study period

2007-2012

	2011	2012	2013*	2014*
Total revenue of the company net of excise duty	122128	166316	193698	232834
No. of permanent employees	26214	29217	30334	29566
Per employee revenue	4.658	5.692	6.385	7.875

* Latest figures are also shown in the table

Source: Annual reports of the company for respective years.

2. Kirolskar Oil Engines Ltd.

Brief profile of this company has been incorporated in Chapter IV. The company is manufacturing Oil engines and is also exporting its products overseas.

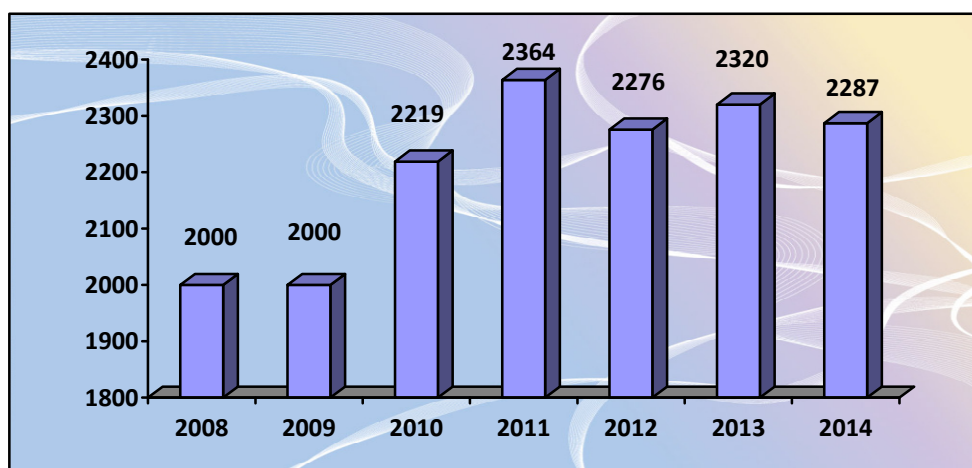
Table 6.9: Financial Highlights

(Rs. In crores)

	2008	2009	2010	2011	2012	2013	2014
Net Sales	2000	2000	2219	2364	2276	2320	2287
Profit after Tax	140	152	164	174	192	199	178
Employees' No.	2135	2189	2205	2253	2318	2376	2428
Sales per employee	1.0	1.0	1.01	1.05	0.98	0.98	0.94
Profit per employee	0.5	0.6	0.07	0.08	0.08	0.08	0.07

Source: Respective year's published Annual Reports

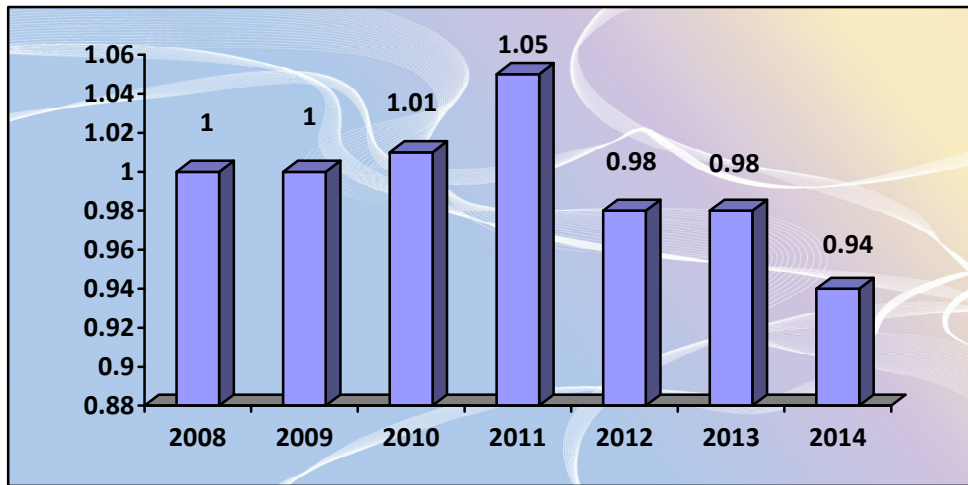
Fig.6.7 : Movement of Sales of Kirloskar Oil Engines Ltd. during the study period Rs. in crores



Observations

It can be seen from the above data that there are marginal ups and downs in the sales which is dependent upon the market conditions. The market was little sluggish during 2012 and 2014 and hence the sales were slightly down. Again the sales pick up as the market improves.

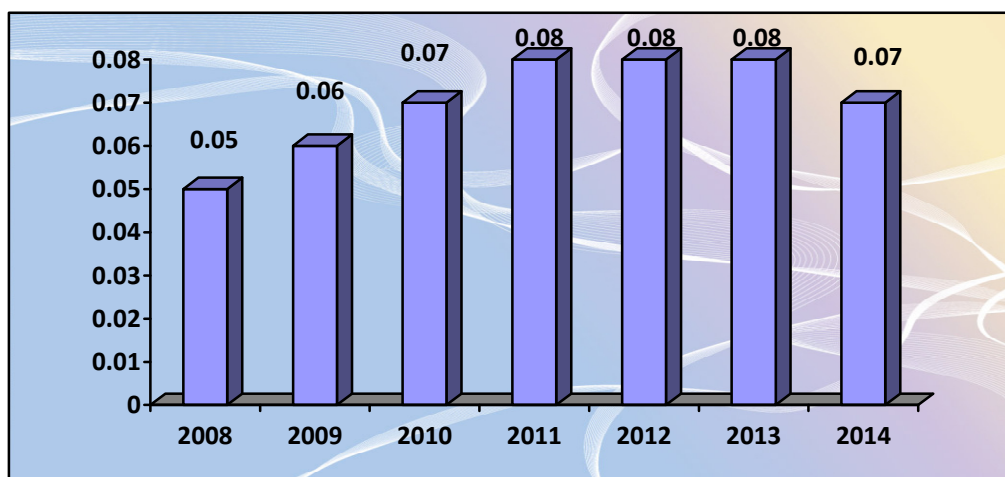
Fig. 6.8 : Movement of Sales per employee of Kirolskar Oil Engines Ltd. during the study period Rs. in crores



Observations

During the period 2008 to 2011 the sales per employee showed steady increase. However thereafter during 2012 and 2013 the sales per employee declined marginally and remained constant. This was mainly because of the decrease in sales as a result of sluggish market. The number of employees slightly increased which has its effect on the per employee sales.

Fig. 6.9: Movement of Profit after Tax per employee of Kirolskar Oil Engines Ltd. during the study period Rs. in crores



Observations

During the financial year ending 2008 to 2013 the net profit after tax has shown steady increase. However thereafter during 2014 there was marginal decline in

the net profit after tax. This was mainly because of the decrease in sales as a result of sluggish market. The number of employees slightly increased which has its effect on the per employee profit.

Observations on Human Resources

2008, 2009

The employees' relations continued to be satisfactory. The company has taken care to ensure the employees safety and attended to the training needs of the employees.

2010

The management's industrial relations continued to be cordial and healthy. Even before the expiry of the wage settlement in vogue a new wage settlement was signed.

The employee's health care continued to be focal point of the company. The company conducts regular medical checkup of its employees. Eminent guest faculties in health care are invited to deliver lecture to the employees. These lectures focus on fitness, common ailments, and life time improvements. These lectures create greater awareness amongst the employees.

The company encourages its employees to participate in outbound training programs, team building and other various participative activities both within and outside the company.

In order to enable the employees to conduct their sports activities after the working hours, the company has maintained a well developed sports ground. Company believes in sound mind in healthy body and conducts Yoga classes for three days in a week.

2011

The company HRD department had taken several initiatives. It conducted Employee Engagement Survey by deploying an outside agency. On receipt of its report, the company has now concentrated on enhancing the employees' engagement.

The company has introduced performance management system for the staff in Managerial category. In the senior management grade job based level matrix has been created for job evaluation. In a planned effort the company had nominated 20 managers for Leadership Development Programme. This programme was jointly organized by the company in association with a leading management institute.

The Middle Level Managers have been given a special training programme in collaboration with Kirloskar Institute of Advanced Management Studies.

All these programmes have been aimed at improving the skill and competency levels and it has been proved to be successful.

2012

The year witnessed harmonious industrial relations with the employees. Leadership Development Programme continued to be a focal point. So also the company repeated its training programme for the Middle Management for a fresh batch. The company has introduced a new system with a view to identify fast trackers at the junior level management.

Conscious efforts have been made by the company to develop performance oriented culture in the organization. It also took steps to synchronizing individual goals with that of the corporate goals. The company has introduced an online Performance Management System for Managerial staff.

2013

A fresh wage settlement was signed at Pune plant. The harmonious industrial relations made it possible. It is interesting to note that this was the 7th in continuation which has been signed before the expiry of the settlement in vogue. Not a single man day was wasted. This speaks of the harmonious relations and the understanding between the management and the employees. In fact in the manufacturing industrial sector this is considered to be the achievement over the past 50 years.

The thrust of the HRD continued to be strengthening the core values of the organization. The company has taken up several initiatives for skills, knowledge and

attitude development, and organizational capabilities, and culture. Talent Management and the Leadership Development continued to be the main focus of the HRD.

2014

According to the company the employees health and well being is of vital importance. Medical checkups are carried out at regular intervals. Special checks up are also organized regularly.

Health assessment camps and Eye check camp for vision were organized.

The management is addressing safety of the employees at work giving top priority to it. Online accident reporting system has been introduced. The company has developed project safety manual. Company has conducted 103 health camps during the year.

The company continued to conduct training programmes, career path planning, for motivation purpose rewards and recognition programs, competitive compensation etc. which ensured high level of motivation and this has resulted in higher productivity per employee.

3) Tech Mahindra Ltd.

This is also one of the leading IT companies in Pune. Originally it was Mahendra British Telecom Ltd. and subsequently it has been changed to Tech Mahindra Ltd. The erstwhile IT giant company from Hyderabad Satym Technologies has been taken over by Tech Mahindra. Profile of this company has been given in Chapter IV.

Table 6.10: Total employees of Tech Mahindra during the study period 2007-12

	2007	2008	2009	2010	2011	2012
No. of employees	19479	22614	24972	33524	38333	40763
BPO employees	1755	3445	3769	8067	11011	14792
Total Revenue Rs. Mn.	29290	37661	44647	46254	51402	54897
Per employee productivity Rs. In Mn.	1.50	1.67	1.79	1.38	1.34	1.35
PAT (Profit After Tax Rs. In Mn.)	1215	3299	10145	7005	6442	10954
Per employee profit after tax	0.062	0.145	0.406	0.209	0.168	0.269

Some of the highlights of the Human Resources Policy**2008**

The objective of the company is to develop competence driven organization and to build up culture of high performance.

The company's thrust has been the employees training for which ample opportunities are provided to the employees. In collaboration with IIT Mumbai and BITS Pilani the company has developed a post graduate programme. The company in its training establishment conducts soft skill development programmes for its employees.

The company targets its hiring exercise from the top academic campuses and hires best available talent. The company grooms its employees with the objective of tapping the hidden talent and for higher managerial position. It's focus is on the decision making, and responsibilities sharing. The company also develops the talent from within for higher positions.

2009

Company holds an exhaustive induction training programme of 14 weeks for the fresh recruits through which these employees are attuned to the company's work culture, values and imparts telecom domain knowledge as it is the key business activity of the company.

Company has developed a learning framework namely QUEST which allows online end-to-end management input, learning paths which includes creating new learning paths, and covers training assignments, course material developed and also the online tests.

The company firmly believes in nurturing employee's talent, motivating the employees for indigenous innovation and for promoting leadership development.

For employees who are keenly interested in carrying out further studies for higher qualifications, the company has entered into tie up arrangement for Distance Learning Programs with Indian Institute of Technology, Mumbai, Birla Institute of Technology (BITS) Pilani and University College of London, UK. The company provides learning assistance to the deserving employees.

2010

The company has been running a Global Leadership Cadre (GLC) program for the past five years. It continues to infuse fresh and new ideas and talented youth in the company.

2011

In order to enhance the business sharpness and insight of its associates company provides new platforms. The company has started a new program titled, Executive Post Graduate Diploma in Telecom Management in collaboration with Symbiosis Institute of telecom Management (SITM), Pune. This program comprises of in depth knowledge of telecom concepts, and makes it's employees to accept the challenge thrown open by the new business environment. There are day in day out changes in the telecom scenario and it has become a dire necessity for the company to keep its employees updated to face the fierce competition in the field. There is a great

gap between the company's requirement of the talent and the potential available and therefore the company's HR department has to be always on their toes to meet the organization's demand for the right type of input and the set out cost to the company.

2012

Company continues its thrust for talent management and conducts motivation programs and leadership development programmes throughout the year for its employees.

The company has cherished beliefs in inclusivity and has undertaken number of initiatives to foster diversity in age, gender, culture and capability. Specially for women employees of the company, the company has created a new platform to voice their opinions and suggestions and create ideal women workplace in the company.

2013

The company has a full faith in the ability of each of its employee and hence it takes every care to provide opportunities to tap the hidden talent and potential and considers expenditure incurred on this activity as an investment. The company has developed benchmark for talent management , talent engagement and set out key parameters for this purpose.

The company has designed and developed "Young CEO" Programme through which it nurtures young leaders to take on vital roles and entrusts them with "end to end" responsibility in the Mergers and Acquisition, new business development initiatives, joint ventures for various overseas clients etc.

In order to have a young talented employees team for participating in the development of organization's strategic planning, the company has developed a concept of "Shadow Board and Global Leadership Cadre Programme"

2014

After the merger of the Mahindra Satyam, the Tech Mahindra's HR policies and process have been further strengthened to suit the changed demographic and to

enhance the quickness in its responses and ensure the compliance of various changing regulatory requirements.

The aim of the organization continues to develop and learning and building capacity in technology, project management, and leadership in the assumed field of operation.

4) **Cognizant Technology Solutions Ltd.**

In the year 1994, the company began its IT development and maintenance services, initially as an in-house technology development center for the Dun & Bradstreet Corporation and its operating units. Along with certain other entities which were taken from the host company, a new company was established in the year 1996 and it was named after “Cognizant Corporation”. The company came out with its first ever public offering on the 24th June 1998 in Class A Common stock. On February 21, 2003, pursuant to the terms of its Certificate of Incorporation, all of the shares of Class B common stock automatically converted into shares of Class A common stock. Since then there are no shares of class B common stock.

Table 6.11: Financial Performance of the Company

(Figures in U.S. \$)

Year →	2007	2008	2009	2010	2011	2012	2013
Revenue	2135577	2816304	3,278,663	4592389	6121156	7346472	8843189
Net Income	350133	430845	534,963	733540	883618	1051263	1228578
Total staff	55400	61700	78400	104000	137700	156700	171400

2007

The company heavily invested in the talent management which showed good results in 2007. During the year there was recruitment of over 16,000 associates. There was reduction in the employee attrition rate from 16% in 2006 to 15% in 2007. Company carries out employee satisfaction exercise every year through a third party organization. The employees satisfaction level is high. Existing associates referrals for new hires increased substantially. The existing associate’s 33% referrals were hired by the company.

This globally spread organization focused on the customer satisfaction and at the same it enabled its associates to make a career in the company. The company expanded its operation in the new geographical areas as well as in service lines and industry sectors.

2008

During the year under review the company's associates strength grew upto 67000. Of this approximately 47000 are deployed in the Asia Pacific region 12000 in North America and South America and over 2000 in Europe, mainly in the United Kingdom. Company is not a party to any collective bargaining agreements. Company enters into individual's contract for compensation. According to the company its relations with the associates are quite harmonious. The company believes that its success lies in attracting talent in the organization and train them extensively to become a good project manager. This helps the company to have a large pool of professionals. The company conducts a comprehensive Orientation Training Programmes for the new recruits which introduces them to the organization culture and the company policies and procedures.

2009

The total associates strength in the year 2009 reached 78,400. Of this 62,400 associates are in the Asia Pacific region, 13,000 in various locations in America and the remaining 3000 in the European countries mainly in United Kingdom.

Company continued to attract talent and to provide them extensive training to sharpen their IT skills as well as other professional qualities.

2011

The company's associates strength at the end of 2011 reached 137,700 of which over 111,600 associates are in the Asia Pacific region, 21,800 in America and 4300 in European countries. It clearly shows that the company is expanding its operations in the Asia Pacific region quite vigorously. The company has recruited majority of its Project Managers from the professional consulting firms in the United States, Europe and India.

2012

The growth of the associates continued even during the year under review reaching a level of 156,700 of which over 124,100 are in Asia Pacific region, 27,300 in the USA and 5300 in the European countries mainly in United Kingdom.

Some of the HR Initiatives in Cognizant Technology Solutions

In order to encourage its associates to participate and contribute their full potential not only in their given assignment but also in the various initiatives in the other organizational levels, the company has introduced Wah in India which provides non monetary reward and recognition for encouraging the young and enthusiastic associates.

Personal Accident Benefit Insurance Policy

- ❖ The company has provided personal accident benefit insurance policy which covers the risk of disablements due to accidents.
- ❖ This insurance scheme is being administered through ICICI Lombard General Insurance Co.

The company has introduced for its associates an allowance of Rs.250 on regular working day for the on call support and on holidays the allowance is for Rs.400/-

The company grants night shift allowance to monetarily compensate for the associates who are required to work beyond the standard working hours. This amount is fixed at Rs.300 per night in the office and is paid on monthly basis deducting the Tax Deducted at Source.

Medical Insurance

- ❖ The company has a medical insurance for hospitalization expenses, including the enrolled dependent
- ❖ This medical insurance scheme is from the New India Insurance Co Ltd. and their TPA.
- ❖ The policy covers ailments which are normally covered by the Group Medi claim base. policy

Medical Emergencies loan The company provides medical emergencies loan assistance upto Rs.15000/- or one month's salary whichever is less.

Marriage loan: On the same line of medical emergencies loan the company grants marriage loan upto Rs.15000 or one month's salary which is less.

Leave policy: To enable employees to avail time off from work in order to relax, recover from illness, avail maternity leave, or for personal reasons.

India Initial Settlement Advance: For the new joiners the company gives interest free advance of Rs.10000/- for easy settlement in the new set up.

6th day Allowance: if the weekly working hours put in exceeds 40 hours the company monetarily compensate for the additional work giving a project allowance.

Approach towards Best HR Practices

During the course of interaction with the HR executive it was transpired that the companies have a very good rapport with the employees union and that with all sincerity the HR department is taking every care to ensure that healthy and harmonious employee-management relations are maintained.

It was observed that the HR department is making constant efforts to ensure that the employees are offering their best to the organization.

The HR people proudly stated that because of the dedicated and fully motivated employees the rate of rejection has been near zero and that they are able to achieve good customer satisfaction too.

HRD is making all-out efforts to offer best possible HR practices keeping thrust on the employees health and safety at the work place.

It is very difficult to determine the employees satisfaction by using any mathematical formula as such but the same is reflected by the dedication of workers and the per employee sales and profit. Productivity can be measured in mathematical

terms and it was informed that per employee productivity is showing an increasing trend. Since the researcher has to depend only on the published data separate productivity per employee could not be worked out and the company officials were reluctant to part with the data. Hence only per employee sales and profit in monetary terms have been regarded as the indicator.

The HR officials were proud to state that without any single hours loss of time this manufacturing company has been able to achieve the wage settlement even prior to the expiry of the existing one. This they pointed was the first achievement of its kind in the Indian Manufacturing history.

Consolidate position of the ratings: In the following table the priorities given by all the identified Senior Management of all the companies have been given.

Table 6.12 : Rating given by the identified employees in Senior Management Cadre for the best HR Practices observed in the company.

Sr. No.	Best HR Practice	10	9	8	7	6	5	4	3	2	1	Total
1	Compensation	0	8	6	6	0	0	0	0	0	0	20
2	Challenging work	0	2	3	10	5	0	0	0	0	0	20
3	Overseas tours for good performance	0		2	1	9	7	1	0	0	0	20
4	Delegation of Authority	0	8	6	6	0	0	0	0	0	0	20
5	Verbal recognition	0	0		8	7	5	0	0	0	0	20
6	Good working conditions	0	0	10	10	0	0	0	0	0	0	20
7	Positive interpersonal relations	0	0	12	5	3	0	0	0	0	0	20
8	Effective company policies	0	0	12	8	0	0	0	0	0	0	20
9	Ideal Training programmes	0	0	5	12	3	0	0	0	0	0	20
10	Concern for women employees	0	20	0	0	0	0	0	0	0	0	20

Source: Field survey data

Observations

The employees in the senior management cadre has accorded over and above 7 rating for compensation, challenging work, opportunities of foreign tours, delegation of authority and word of appreciation.

Challenging work has been accorded over 6 rating by all the 20 senior executives.

Delegation of authority is also accorded weightage over 7 by all the respondents from this category.

Good working conditions are also preferred by all the senior executives according 7 and over rating.

Organization's concern for women employees has been 9 rating by all the 20 employee.

During the course of the collection of the primary data, the researcher has also interacted with some of the other executives present and it transpired that the employees have identified their individual goals with that of the goals of the organization and that they are fully satisfied with the company's HR policies.

Good working conditions have also been weighted heavily by the senior management employees. All of them have rated it over and above 7 rating.

In a manufacturing organization depending upon the products being manufactured, its nature, consumable or otherwise, the production process, use of technology determines the strength of the workers. Besides the availability of the skilled staff at a cheaper cost has also bearing on the staffing pattern. In the instant case under study the number of employees actually engaged in the manufacturing activity is quite large. Their perception about the HR practices is naturally different than that of the management cadre employees. Their preferences about the HR practices have also been obtained and those are indicated in the following presentation.

The researcher would like to state that for obtaining the data the employees' organization extended very good help and they also praised the management's approach towards the workers and their safety, security and health.

Data from Middle Management:

Table: Rating given by the identified Middle Management employees for the best HR Practices observed in the company.

Table 6.13: Weightage given by the employee on a scale of 1 to 10 (10 being the highest)

Sr. No.	Best HR Practice	10	9	8	7	6	5	4	3	2	1	Total Employees
	Compensation package	0	86	35	19	0	0	0	0	0	0	140
2	Rewards for good performance	0	0	84	35	21	0	0	0	0	0	140
3	Delegation of Authority	0	0	72	28	40	0	0	0	0	0	140
4	Verbal recognition	0	0	0	0	82	45	13	0	0	0	140
5	Good working conditions	0	0	96	34	10	0	0	0	0	0	140
6	Concerned supervision	0	0	0	68	58	14	0	0	0	0	140
7	Positive interpersonal relations	0	0	0	90	50	0	0	0	0	0	140
8	Concern for the employees family	0	0	70	60	10	0	0	0	0	0	140
9	Ideal Training programmes	0	0	0	55	45	40	0	0	0	0	140
10	Concern for women employees	0	110	25	5	0	0	0	0	0	0	140

Observations

From the above data following observations have been recorded:

- 1) Out of 140 Middle Management employees all the employees have accorded over 7 rating to compensation of which 86 have accorded 9 score while the rest 35 have accorded 8 score. It means that the compensation is obviously the main consideration.

- 2) 84% of the respondents have accorded over 8 score for the second attribute i.e. rewards for good performance. This is also quite natural if the good performance is rewarded the employees are satisfied and put their best in their work assignments.
- 3) Only 20% of the respondents have accorded over 7 score for the delegation of authority. It means majority of the middle management employees are not much concerned about the delegation of authority.
- 4) Verbal recognition of good work has been rated below 7 by all the respondents.
- 5) 92.85% of the respondents have rated good working condition over 7 score. That means good working conditions are preferred by major segment of the employees.
- 6) 48.57% of the respondents have accorded concerned supervision 7 score while rest of the respondents has given less than 7. It means majority of the employees are not concerned with the supervision.
- 7) All the 140 respondents have accorded over 6 score for the positive interpersonal relationship.
- 8) 92.85% of the respondents have accorded score of 7 for the organization's concern for the employee's family. It means this is also a point which should figure while introducing Best HR Practices.
- 9) 39.29% of the respondents accorded 7 score for ideal training facilities. It means relatively it has low rating.
- 10) 96.42% of the respondents have accorded over 8 score for the concern for women employees which is a welcome situation.

Table: Rating given by the identified employees who are the members of Trade Union for the best HR Practices observed in the company.

Table 6.14: Weightage given by the employee on a scale of 1 to 10 (10 being the highest)

Sr. No.	Best HR Practice	10	9	8	7	6	5	4	3	2	1	Total Employees
1	Compensation package	0	0	224	16	0	0	0	0	0	0	240
2	Rewards for good performance	0	0	128	80	32	0	0	0	0	0	240
3	Delegation of Authority	0	0	0	0	165	64	11	0	0	0	240
4	Verbal recognition	0	0	0	0	0	0	95	55	90	0	240
5	Good working conditions	0	0	160	80	0	0	0	0	0	0	240
6	Concerned supervision	0	0	0	0	0	0	0	90	110	40	240
7	Positive interpersonal relations	0	0	0	0	0	160	80	0	0	0	240
8	Concern for the employees family	0	0	110	70	60	0	0	0	0	0	240
9	Ideal Training programmes	0	0	0	0	0	0	96	40	104	0	240
10	Concern for women employees	0	0	130	90	20	0	0	0	0	0	240

Observations

1. It is but natural that as the beginners 100% of the employees in the Jr. Management cadre have accorded over 8 score for the compensation.
2. 86.66% of the respondents have accorded over 7 score for the rewards for good performance.
3. No one has given over 6 score for the delegation of authority. This is also a usual phenomenon all over that juniors are afraid of taking decisions and hence they have rated accordingly.
4. None has given over 4 marks for oral recognition of the good performance. It means mere words are not enough for good performance it should have some financial consideration at least depending upon the cost benefit.

5. 100% of the respondents have accorded over 7 score for good working conditions. Naturally it is everybody's expectation, as the employees spend more time at the work place. The expectation is not out of place.
6. Concerned supervision has been accorded below 3 score by all the respondents. It means the juniors are not very much concerned about the supervision.
7. 100% of the respondents have accorded 6 score for concern for employees family.
8. Training facilities have been accorded less score.
9. Majority of the employees have accorded over 7 score for organization's concern for the women employees.

Data from HR Heads /official from HRD

The HR officials expressed that the main challenge before them is to contain the staff costs particularly for the workmen cadre as the number of workmen employees is greater.

HR is also persuading the manufacturing department to explore the possibility of resorting to the outsourcing of major jobs so that the company is not required to carry current size of the workmen and that they can achieve certain savings from fringe benefits costs.

The officials from the HR department expressed their satisfaction over the employees approach towards the management. They stated that the relations are quite cordial.

Validation of Hypotheses

Introduction

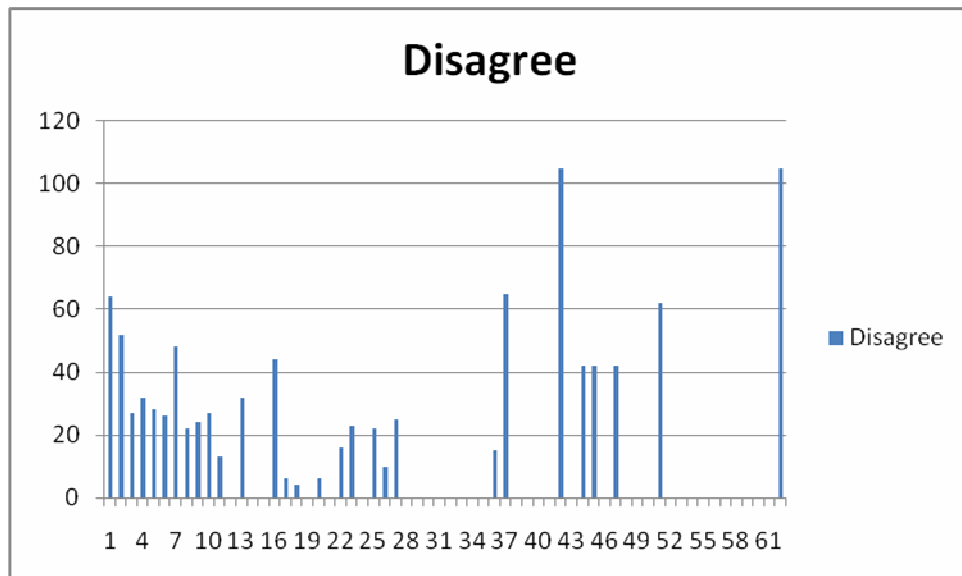
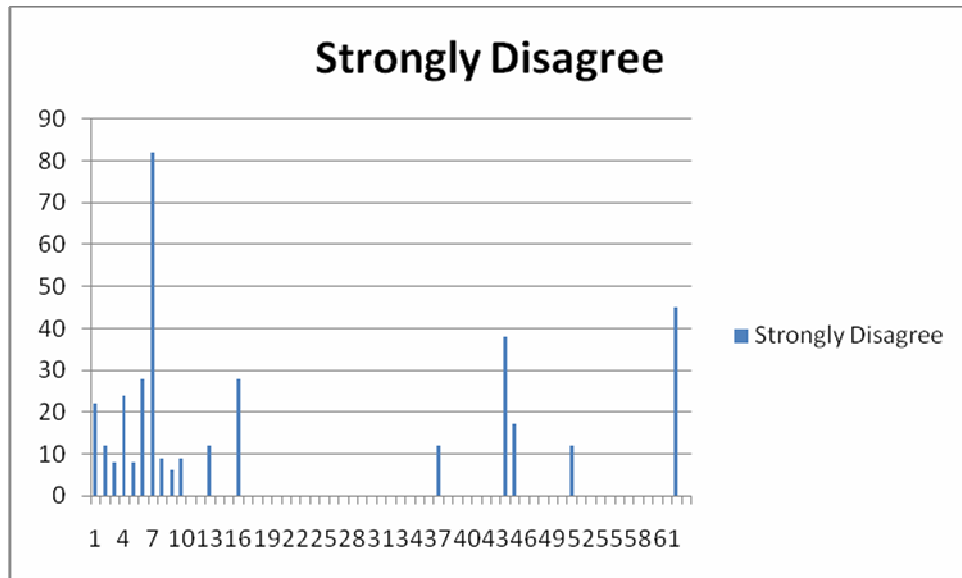
Objectives of the research are explained in Chapter II section 3 A. To achieve these goals the survey was planned. In this chapter the researcher has presented statistical analysis of the 4 hypotheses these were proposed by the researcher:

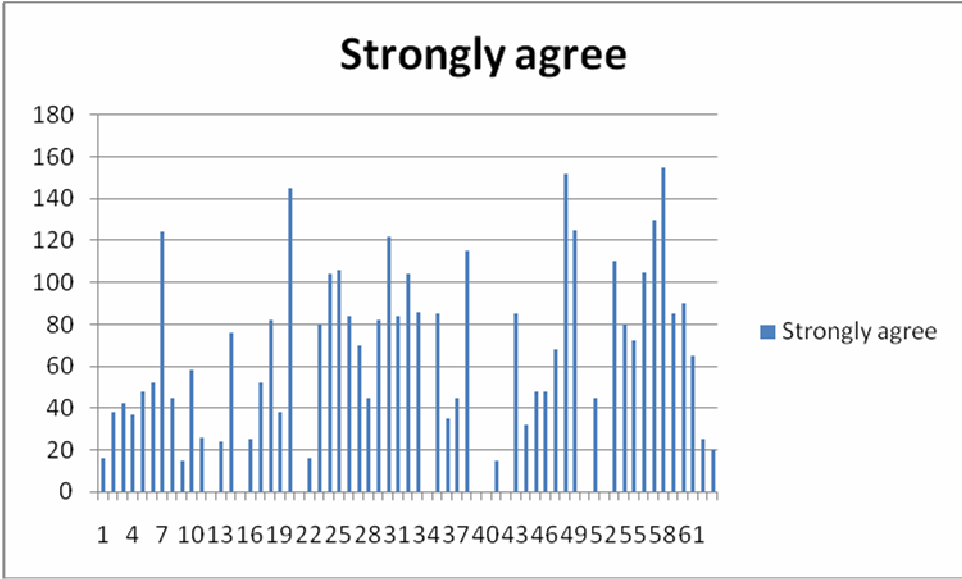
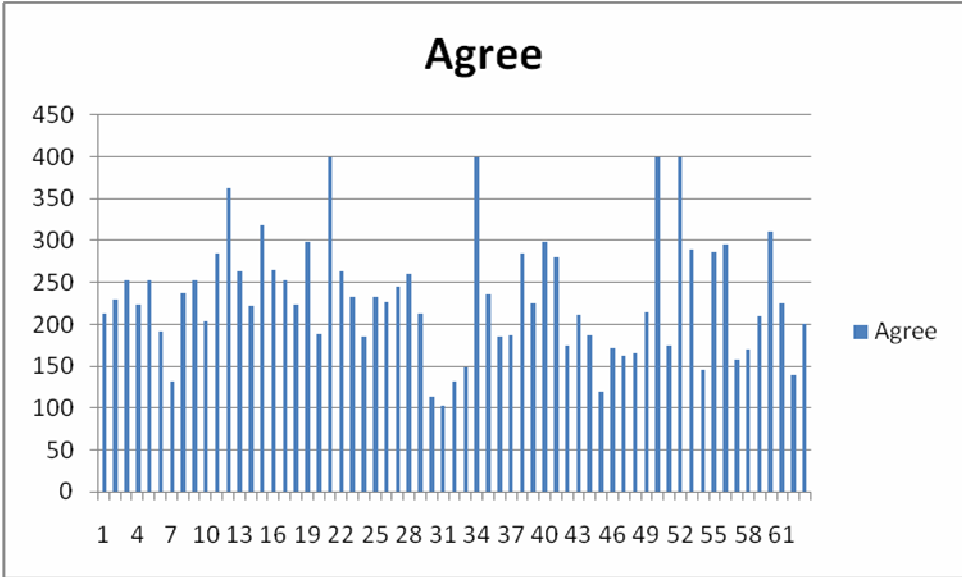
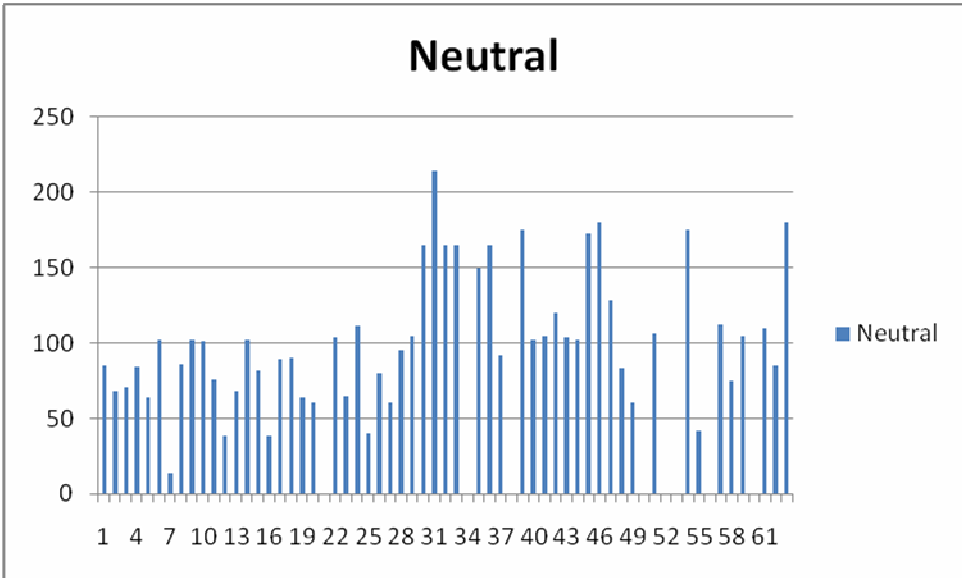
- H₁ There is positive impact of the best HR practices on the employee satisfaction and efficiency of the employees.

- H₂ The application of best HR practices has a bearing on the quality of production/ services.
- H₃ The application of best HR practices reduces the attrition rate.
- H₄ The employee satisfaction results in cordial employer – employee relations.

6.3 DESCRIPTIVE ANALYSIS OF VARIABLES

Here we have 63 questions with five categorical response, strongly disagree, disagree, neutral, agree, strongly agree. So we have treated these responses as a variables and performed descriptive statistical analysis. Results are given as below:





Variable	N	Percent	Mean	SE Mean	TrMean	Standard Deviation
Strongly Disagree	63	100	5.9	1.74	3.63	13.8
Disagree	63	100	16.33	3.13	13.23	24.8
Neutral	63	100	88.6	6.64	87.86	52.71
Agree	63	100	230.56	8.87	227.89	70.44
Strongly Agree	63	100	59.7	5.4	58.05	42.84

Variable	Variance	CoefVar	Sum	Sum of Squares	Minimum	Q1
Strongly Disagree	190.57	233.79	372	14012	0	0
Disagree	615.26	151.86	1029	54953	0	0
Neutral	2778.79	59.49	5582	666868	0	60
Agree	4961.38	30.55	14525	3656425	102	185
Strongly Agree	1835.31	71.76	3761	338315	0	25

Variable	Median	Q3	Maximum	Range	IQR	Skewness	Kurtosis	MSSD
Strongly Disagree	0	8	82	82	8	3.53	15.27	145.39
Disagree	0	27	105	105	27	1.88	3.7	612.73
Neutral	89	110	214	214	50	0.11	-0.26	2373.78
Agree	225	265	400	298	80	0.64	0.39	4289.02
Strongly Agree	52	85	155	155	60	0.35	-0.73	1372.21

Conclusion

From the above graphs it can be concluded that variable “Agree” and “Strongly Agree” follow normal distribution. This is evident from the histograms as well as p values of Anderson Darling test which says that the variables agree and strongly agree are normally distributed.

Also from the graphical summary we can easily conclude that average value of the variable “Agree” is greater than other variables. So we can conclude that for most of the questions, average response from respondents is “Agree” i.e. they agree with the question/opinion they answer so eventually we get support for our hypothesis.

As mentioned in permeable that no previous data is available for current study so now we use following methodology to test the hypothesis.

We have set our hypothesis as follows:

Let X: Sum of number of respondents who responded to given question as agree and strongly agree.

Now we calculate the proportion of X for each question out by dividing it by 400. Now we will check this proportion by setting the hypothesis as follows:

H_{01} Proportion of $X=0.5$ that is 50% respondents have affirmative response for the question that is asked and 50% are either neutral or disagree or strongly disagree.

Vs

H_{02} : Proportion of $X >0.5$ that is more than 50% respondents have affirmative response for the question that is asked and less than 50% are either neutral or disagree or strongly disagree

So if this H_{02} is accepted for the given question it will eventually support one of the hypotheses that we have set above.

So we use proportional test as follows:

We test $H_0: p=p_0$, the sample size are so large that both np_0 and $n(1-p_0)$ are 10 or more.

Now we compute Z statistics as
$$Z = \frac{p - p_0}{\sqrt{p_0(1 - p_0) / n}}$$

In terms of a variable Z having the standard Normal distribution, the approximate P-value

For a test of H_0 against some alternative hypothesis say H_a

$H_a: p > p_0$ is $P(Z \geq z)$

$H_a: p < p_0$ is $P(Z \leq z)$

$H_a: p \neq p_0$ is $P(Z \geq |z|)$

We performed this test for each variable given, and the results are summarized in below table. Here we have used the P values to take decision about the variables. Level of Significance is 0.05.

6.4 DATA ANALYSIS OF HYPOTHESIS 1, 2, 3

Table 6.15: Summary of Analysis for Hypotheses 1 to 3

Sr. No.	Statement	X	Proportion	P-value	Decision
A - Management Support					
1	Management sympathetically listen to me	229	0.5725	0.002	Accepted
2	Management appreciate my academic knowledge	268	0.67	0	Accepted
3	Management provides me with adequate medical facilities	294	0.735	0	Accepted
4	I am free to discuss my problem with management	260	0.65	0	Accepted
5	I have informal communication with management	300	0.75	0	Accepted
6	Management welcomes suggestions for improvements in the systems and procedures	244	0.61	0	Accepted
7	Management involves me in decision making process.	256	0.64	0	Accepted

Sr. No.	Statement	X	Proportion	P-value	Decision
B -Working Environment					
1	The overall working condition in my department is satisfactory	283	0.7075	0	Accepted
2	The sitting arrangements are quite comfortable.	268	0.67	0	Accepted
3	The office environment is quite healthy.	262	0.655	0	Accepted
4	Organization has proper mechanism for maintaining discipline for the faculty	311	0.7775	0	Accepted
5	The organization has adequate recreation facilities.	362	0.905	0	Accepted
6	The organization has proper health care arrangements at the work place.	288	0.72	0	Accepted

Sr. No.	Statement	X	Proportion	P-value	Decision
C -Working Environment					
1	I love my job	298	0.745	0	Accepted
2	I am happy with leave rules of my company	318	0.795	0	Accepted
3	I do not feel like giving up this job and taking up some other job	290	0.725	0	Accepted
4	I feel that I have job involvement	305	0.7625	0	Accepted
5	I think that I have selected the right job for my self	306	0.765	0	Accepted
6	My company has excellent training arrangements and gives extensive training.	336	0.84	0	Accepted
7	In our organization the attrition rate is less.	334	0.835	0	Accepted
8	The quality of our product / service has improved a lot.	400	1	0	Accepted

C -Working Environment ... contd					
Sr. No.	Statement	X	Proportion	P-value	Decision
9	The job rejection rate (in case of mfg. industries) is almost 0%	280	0.7	0	Accepted
10	The employer employee relations are very cordial	312	0.78	0	Accepted

Sr. No.	Statement	X	Proportion	P-value	Decision
D - MOTIVATIONAL ASPECTS					
1	I feel that my boss helps me to achieve the organizational goal.	289	0.7225	0	Accepted
2	My Management motivates me to increase my efficiency.	338	0.845	0	Accepted
3	Communication seems good within this organization.	310	0.775	0	Accepted
4	Work assignments are explained clearly	315	0.7875	0	Accepted
5	Management takes interest in my suggestions	305	0.7625	0	Accepted
6	My colleagues are very helpful	295	0.7375	0	Accepted
7	My job has scope for promotions in time	235	0.5875	0	Accepted
8	Apart from in house training facilities the company has a provision for deputing	186	0.465	0.927	Rejected
9	My work provides opportunity to display my talent and skills	235	0.5875	0	Accepted

Sr. No.	Statement	X	Proportion	P-value	Decision
E - PERCEPTION ABOUT BEST HR PRACTICES					
1	Our HR Department pursues innovative ideas and excellent HR practices.	235	0.5875	0	Accepted
2	In our company there is a house bulletin.	400	1	0	Accepted
3	Our company allows flexi office timings in case of need.	320	0.8	0	Accepted

Sr. No.	Statement	X	Proportion	P-value	Decision
E - PERCEPTION ABOUT BEST HR PRACTICES					
4	For back office employees, the company allows work from home if needed.	220	0.55	0.026	Rejected
5	In our company there is a cafeteria /canteen which provide healthy food.	231	0.5775	0.001	Accepted
6	We get subsidized food in the company.	400	1	0	Accepted
7	Employees birth days are celebrated by the office	225	0.5625	0.007	Accepted
8	Employees' kids showing excellent academic performance are felicitated by the co	298	0.745	0	Accepted
9	There is a precisely defined and fully transparent rewards and recognition scheme	295	0.7375	0	Accepted
10	Our company has tie up with NGOs and we get an opportunity to participate in soc	175	0.4375	0.995	Accepted
11	Introduction of best HR practices is an ongoing process in our company	296	0.74	0	Accepted

Conclusion

Almost for all the questions asked, the researcher has more than 50% of respondents who have responded either as Agree or Strongly Agree for the question asked. For the question 8 in section D and question 10 in section E there are less than 50% respondents who responded as Agree and Strongly Agree. So for these two questions we can conclude that more people are either neutral or disagree with the statement of the question.

So overall we can accept the hypothesis H_1 , H_2 , H_3 .

6.5 DATA ANALYSIS FOR HYPOTHESIS - 4

Table 6.16: Summary of Analysis for Hypothesis 4

Sr. No	Organizational Culture (H-4)	X	Proportion	P-Value	Decision H02
1	I willingly give my time to help others who have work-related problems.	218	0.545	0.04	Accept
2	Information is widely shared so that everyone can get the information.	168	0.42	0.999	Reject
3	I keep up with developments in the institution	220	0.55	0.026	Accept
4	Cooperation across different departments of the institution is actively encourage	230	0.575	0.002	Accept
5	I view failure as an opportunity for learning and improvement.	317	0.7925	0	Accept
6	I believe that facilities can have a positive impact.	340	0.85	0	Accept
7	I always respect other's views/opinions.	400	1	0	Accept
8	Our company really cares about employees benefits.	220	0.55	0.026	Accept
9	I always express loyalty towards the organization.	400	1	0	Accept
10	I feel pride when representing the organization in public.	400	1	0	Accept
11	Authority is delegated so that faculties can act on their own.	225	0.5625	0.007	Accept
12	My department can always provide quick response to the requests from other departments	358	0.895	0	Accept
13	My Head of the Department is available to me when needed.	400	1	0	Accept
14	There is continuous investment in the skills of employees.	288	0.72	0	Accept
15	I offer ideas to improve the functioning of the organization.	325	0.8125	0	Accept
16	In our organization, team work occurs among individuals and between departments	295	0.7375	0	Accept
17	Our company provides comprehensive training to its employees.	400	1	0	Accept
18	In our organization, there are proper policies and procedures to help us to serve	290	0.725	0	Accept

Sr. No	Organizational Culture (H-4)	X	Proportion	P-Value	Decision H02
19	Our company has systems to measure gaps between current and expected performance	165	0.4125	1	Reject
20	New and improved ways to do work are continually adopted.	220	0.55	0.026	Accept

Conclusion

Barring the second and nineteenth question we accept hypothesis H_{02} for the all other questions. So we can accept the hypothesis 4.

To conclude our analysis we can say that from study of overall survey, we can accept our all four hypotheses.

CHAPTER VII

OBSERVATIONS, SUGGESTIONS & CONCLUSION

The researcher has presented the primary data collected and has analyzed the same in the earlier chapter. The interpretation of the same has also been presented at the appropriate places. Now the researcher has brought out here under his observations on the primary data.

7.1 OBSERVATIONS

A) Management Support

a) Sympathetic listening to employees by the management

57.25 per cent of the respondents have stated that the management sympathetically listens to them. 21.25 per cent remained neutral and the rest have expressed their disagreement.

b) Appreciation of the academic knowledge by the management

67 per cent of the respondents have stated that the management appreciates their academic knowledge while 17 per cent remained neutral and the rest expressed their disagreement.

c) Provision of medical facilities

73.5 per cent respondents stated that they receive adequate medical facilities from the management while 17.25 per cent remained neutral and the number of respondents expressing disagreement is negligible.

d) Management Climate

65 per cent of the respondents reported that there is a free atmosphere in the organization and that they can freely discuss their problems with the management while 21 per cent of the respondents remained neutral.

e) Communication channels

On this score 75 per cent of the respondents reported that the organizational climate is such that they can communicate with the management informally which is a good sign.

f) Management's openness for suggestions

61.05 per cent of the respondents have reported that the management is very much open and welcomes their suggestions for improvement in the systems and procedures. 25 per cent of the respondent preferred to be neutral.

g) Involvement in decision making

66.5 per cent of the respondents are of the view that they are being involved in the decision making process.

Overall observation on Management Support

If we account for all the responses collectively the research is of the view that the overall management support is satisfactory which of course leads to job satisfaction, increased production, commitment of the respondents which collectively reflects on the productivity and profitability of the organizations that they serve.

B) Working Environment

a) Working conditions in the department

70.75 per cent of the respondents stated that the working conditions are satisfactory, while 21.5 per cent of the respondents remained neutral. Rest reported that they disagree with the statement.

b) Sitting Arrangements & comforts

67 per cent of the respondents reported satisfaction while 25 per cent preferred to be neutral. Only 7.5 per cent of the respondents reported dissatisfaction.

c) Office environment

65.5 per cent of the respondents reported that the office environment is healthy and 25 per cent of the respondent preferred to be neutral. Hardly 9.5 per cent of the respondents reported negatively.

d) Organizational discipline for the faculty

79 per cent of the respondents reported satisfaction while 19 per cent respondents remained neutral. Only 2 per cent viewed it negative.

e) Availability of recreational facilities

90.5 per cent of the respondents reported satisfaction and rest 9.5 per cent remained neutral and there was no one representing dissatisfaction.

f) Availability of the health care facilities

72 per cent of the respondents reported satisfaction while 17 per cent preferred to be neutral. 11 per cent viewed it negatively.

Overall assessment of the Working Environment

Considering the above responses in aggregate it is observed that the working environment in the organizations under study is quite healthy and has received majority of the respondents' satisfaction.

C) Job Related Aspects

a) Love towards Job

74.5 per cent of the respondents expressed that they Love their job and the rest preferred to be neutral. No one gave negative response.

b) Leave rules of the company

72.5 per cent of the respondents expressed happiness about the leave rules and 9.5% remained neutral. Rest answered it negatively.

c) Continuation in the present job

72.5 per cent of the respondents reported that they do not think of giving up the present job, while 9.5 per cent remained neutral. Rest answered it negatively i.e. they may think of switching over to other job.

d) Job Involvement

76.25 per cent of the respondents reported that they have involvement in the job while 22.5 per cent preferred to be neutral.

e) View about the selection of the job

76.5 per cent of the respondent feel that they have selected the right job for them while 22.5 per cent preferred to be neutral.

f) Assessment about the training arrangements

Here it was observed that all the respondents are unanimous in reporting that they have excellent training arrangements and that they receive comprehensive training from their organization.

g) Assessment of Attrition Rate

83.5 per cent assessed that the attrition rate is less while 15 per cent remained neutral.

h) Improvement of the quality of the product

Here again yet another question where the 100 per cent of the respondents are unanimous in assessment of the improvement in the quality of the product.

i) Assessment of Job Rejection Rate (in the case of Mfg. Companies)

70 per cent of the respondent rated it as almost 0 per cent while 25 per cent of the respondents preferred to be neutral.

j) Cordiality of the Employer Employee Relations

78 per cent of the respondents reported as relations are quite cordial while 16.25 per cent preferred to be neutral.

Overall Observation about the Job Related Aspects

If we look at the responses of the respondents in totality it is observed that on all the counts there is overwhelming majority of the respondents who have expressed satisfaction on the job related aspects. Needless to say that such an atmosphere in the organization in the increase in productivity and profitability.

D) Motivational Aspects

a) Help from the Boss for achieving organizational goals:

72.25 per cent of the respondents answered it in affirmative while the remaining preferred to be neutral.

b) Motivation by Management

84.5 per cent respondents were in the category of happy while 10 per cent remained neutral, rest marginal percentage was that of unhappy ones.

c) Assessment about in house communication

77.5 per cent of the respondent appreciated the in house communication while 20 per cent preferred to be neutral.

d) Clarity about work assignment

78.75 per cent of the respondents reported that there is enough clarity about the work assignment while 15 per cent respondents preferred to be neutral.

e) Management's approach towards suggestions

76.25 per cent of the respondents reported satisfaction while 23.75 per cent of the respondents remained neutral.

f) Attitude of the colleagues

73.75 per cent of the respondents reported that the colleagues are helpful, while the balance percentage represents that of neutral respondents.

g) Scope for promotion

58.75% of the respondents responded satisfaction about the promotional opportunities.

h) Deputation to reputed professional training organizations

46.5 per cent of the respondents were satisfied on this score while the remaining preferred to be neutral. Here one point is required to be noted and that is, such a deputation is for the staff from Middle management and Senior

Management is usually deputed for such outside organization's training programmes and hence the respondents remaining neutral is higher.

i) Opportunity to display talent and skills

58.75 per cent of the respondents reported satisfactory while the 42.25 per cent remaining preferred to be neutral.

Overall observation on the Motivational Aspects

The overall responses of the respondents reveal that the organizations in which they are working are using various motivational tools and ensure that the staff remains motivated throughout. The percentage of the neutral respondents is relatively less. There is no negative response from any of the respondents.

E) Perception about HR practices

These are the statements included in the questionnaire which have a direct bearing on the main theme of the research i.e. impact of the Best HR Practices.

a) Role of HR in pursuing innovative HR Practices

58.75 per cent of the respondents expressed that the HR department pursues best innovative practices, while 41.25 per cent of the respondents preferred to be neutral. There was no respondent stating a negative response.

b) Availability of House Bulletin

This is again a question which has been answered in affirmative by all the respondents. That is to say in all the organizations under study there is a house bulletin which provides an opportunity to the respondents to understand what is happening in the organization and it also provides them an opportunity to express their views also.

c) Availability of the facility of the Flexi Timing

62.5 per cent of the respondents reported that in their organizations there is facility of availing flexi office timings while the remaining 37.5 per cent of the respondent remained neutral. Here it should be noted that in the study there were a few manufacturing organization in which such flexi timing facility

cannot be given and hence the percentage of neutral respondent is on higher side.

d) Facility of work from home

55 per cent of the respondents reported that they have the work from home facility, of course with some rider on it. This facility is usually available for the staff from the IT sector as well as BPO organizations. This facility cannot be considered in the manufacturing organizations as they have to use machinery as well as raw materials etc. Hence such facility cannot be considered for them. Therefore, 41.25 per cent of the respondents preferred to be neutral. There was a marginal number of respondents i.e. 3.75 per cent who responded negatively. This is just a normal phenomenon as in IT or BPO companies this facility cannot be extended to all the employees. There are certain positions particularly in the supervisory cadre their physical presence in the office is a must.

e) Provision of Cafeteria / Canteen providing good food

This again an area where the employees are also concerned about the quality of the food that is being served by the company canteens / cafeterias. Hence this question was included. 57.75 per cent of the respondents expressed satisfaction about the quality of the food while 23 per cent of the respondents preferred to be neutral. 19.25 per cent of the respondents expressed dissatisfaction about the quality of the food. As compared to the satisfied respondents the dissatisfied percentage is relatively less.

f) Availability of the subsidized food

This is also an aspect which the employees consider to be dear to them. In number of companies the food and other stuffs available in their cafeteria / canteen is subsidized by the management of the organization. In some companies although such a facility is not available at subsidized rates but the managements take care that there is no exploitation of the employees by the canteen contractor by charging unreasonable rates. Considering this aspect the question was included to get the feedback from the respondents. It was

revealed that in all the organization under study the food and the other stuffs are available to the employees at subsidized rates.

g) Birth day celebrations in the office

In number of organizations the employees' birth days are celebrated which again is a healthy best HR practice. The celebration of the birth days in the office brings cohesiveness amongst the working group in the department and which results in healthy relationship amongst the group. Usually, the managements on such occasions give some memento to the staff on certain special occasions. (Celebration of 50 / 60 years birthday etc.). 56.25 per cent of the respondents reported that in their organizations birthdays are celebrated.

h) Felicitation of the achievements of the employees kids

In order to boost up the employees and their families to pay special attention to the education / extracurricular / cultural / sports achievements of their kids, in some companies as a part of motivational tool the organizations organizes felicitation programmes for these achievers from the employees families. This in turn boosts the morale of the employee which results in commitment to the organizational goals. 74.5 per cent of the respondents reported that in their organization such felicitation functions are organized.

i) Availability of well defined reward and recognition Schemes

As a motivational tool the organization use the rewards and recognition of the excellent performance of their employees. Of course it is important to ensure that such schemes should be clearly defined to ensure that there is no element of partiality. If this aspect is not ensured it adversely affects the morale of the employees. In the sample under study, 73.75 per cent of the respondents reported that they have well designed and clearly defined reward and recognition schemes in their organization.

j) Opportunity to participate in NGO's work

In recent times it has been observed that the company managements are having concern about the social development of certain areas which are dear to them. Therefore, some companies have now accepted the philosophy of

corporate social responsibility. Very recently the Govt. of India has passed a legislation wherein the companies are under obligation to spend 2% of their net profit on certain identified educational / health care projects for the down trodden / up till now neglected sections of the society. Therefore, some companies are now building up tie up arrangements with reputed Non Governmental Organization (non profit earning organizations) to fund their eligible projects. Even there are some of the employees who are having special aptitude for social work. In order to nourish this attribute some companies grant special holidays to their interested staff on full pay basis to work on some social projects approved by the company. Such a provision for the staff is welcomed by the staff as they also get an opportunity to meet their own liking. It is on this back drop feedback from the respondents was called for. It was observed that 43.75 per cent of the respondents reported that their organizations have tie up with NGOs for such a social work opportunity. 30 per cent of the respondents remained neutral to this question it may be because of their unawareness about it or apathy on their part.

k) Introduction of best HR practices – an ongoing Exercise

In order to understand the approach of the Management (HR department) about the implementation of the Best HR Practices, this question was included. Now in order to ensure that the attrition rate is maintained at minimum possible level there is need to be vigilant in introducing best HR practice. Hence, there should be a constant (ongoing) pursuit to innovate Best HR Practices. 74 per cent of the respondents reported that in their organization the HR is pursuing this innovation function on best HR practices on ongoing basis. The rest of the respondents preferred to be neutral.

Overall observations on the Perception of Best HR Practices

This was a crucial area of the responses of the identified respondents as it had a direct relation to the thrust area of the research. Normally when an employee takes a decision to join any organization for employment he/she does take into account, apart from the compensation and other benefits, the management's outlook towards introducing the Best HR Practices. Therefore the prospective job seekers also collect

information about the management's attitude towards introduction of the Best HR practices. They compare the best HR practices being followed in the various similar organizations before taking a final decision of joining. It is on this score the feedback was sought. 74 per cent of the respondents reported satisfaction on this score while the remaining preferred to be neutral. On the whole majority of the respondents have also expressed their satisfaction about the management's approach towards best HR practices and naturally it positively influence the productivity, commitment and profitability of the organization which is translated into the company's financial statements.

F) Organizational Culture

Organizational culture is also an aspect which was subdivided in 20 statements of which 18 statements received positive responses from the respondents while only 2 questions which were related to the sharing of information and performance appraisal wherein the respondent's response was negative. On the whole the organizational culture was quite healthy.

Sr. No	Aspect	% of respondents having		
		+ ve	Neutral	-ve
a.	Willingness to help others	54.5	25.5	20
b.	Free flow of information sharing	42	43.25	14.75
c.	Keeping upto date about the developments in the organization	55	45	0
d.	Inter departmental cooperation	57.5	32.0	10.5
e.	Failures are looked upon as opportunities	79.25	20.75	0
f.	Positive impact of facilities	85.0	15.0	0
g.	I always respect other's views/opinions.	100	0	0
h.	Our company really cares about employees benefits.	55.0	26.5	18.5
i.	Loyalty to the organization.	100.0	0	0
j.	Feelings about organizational pride	100.0	0	0
k.	Delegation of authority	56.25	43.75	0
l.	Free flow of interdepartmental responses	89.5	10.5	0
m.	Easy availability of the departmental head	100.0	0	0
n.	Investment in Skills	72.0	28.0	0
o.	Offering ideas for improved functioning	81.25	18.75	0
p.	Excellent team work is nurtured	73.75	26.25	0
q.	Our company provides comprehensive training to its employees.	100.0	0	0
r.	Established proper systems and procedures	72.50	27.50	0
s.	Well defined performance appraisal system	41.25	21.25	37.5
t.	Approach towards new ways for improvement.	55.0	45.0	0

G) Best HR Practices identified by majority of the respondents in order or priority.

The respondents were asked to state 5 best HR Practices observed by their organization, according to their priority. The commonly adjudged best HR practices identified by the respondents were consolidated and the following picture emerged. Naturally the preferences of the respondents from the various categories under study are different. Therefore these preferences have been consolidated according to the category: Jr. Management, / Middle Management / Senior Management

Sr. No.	Best HR Practice in the organization
	Workmen (who are members of union) responses
1	Compensation
2	Organizational culture – comforts at work place (Safe, Healthy and Happy Workplace)
3	Work from home and flexi working hours
4	Medical facilities for self and family
5	Job security

Sr. No.	Best HR Practice in the organization
	Middle Management's responses
1	Compensation
2	Well chalked out career development plan. (Fair Evaluation System for Employees/)
3	Rich fringe benefits (leave travel concession/medical reimbursement, reimbursement of club fees/ housing loans on soft terms/ provision of residential accommodation /
4	Due recognition and appreciation by the management (Publicize Good Performances /
5	Comprehensive training facilities including deputation to reputed professional training organizations

Sr. No.	Best HR Practice in the organization
	Senior Management's responses
1	Compensation
2	Organization's work culture
3	Well developed Authority responsibility relationship
4	Scope for participation in strategic policy decisions
5	Fringe benefits (Executive perquisites like chauffer driven car, petrol allowance, family holidays, etc.

General Observations about functioning of HR Departments

During the course of this research the researcher had an opportunity to interact with various HR functionaries and could get the feel of the current level of HR functioning. Following are some of the observations which are worth noting.

1. Management institutes face the challenge of reorienting their courses to reflect newer HRM concepts. The department of management studies at IIT-Madras has attempted such changes
2. Because of increasing competition that has resulted from liberalization, Indian organizations have adopted HRM practices both critically and constructively to foster creativity and innovation among employees.
3. Local units of MNCs have been early adopters of annual performance appraisals, employee development programs, and relative (normalized) ranking of performance
4. There is an increased emphasis on HR related activities seen in Indian organizations.
5. Indian managers like centralized decision making.
6. The majority of the lower level of employees is not aware of their rights and is exploited by the management.
7. There is a shift taking place in the pattern of HRM practices in Indian organizations, from the traditional administrative types to a more strategic and proactive type.

7.2 SUGGESTIONS

As has been seen earlier there are number of factors that one has to take into account while introducing new HR practices as ultimately it adds to the costs. Over the years it has been observed that these costs are rising. At the same time we cannot ignore the importance of retaining the talented employees as well as arresting the attrition as it again involves heavy costs. Therefore henceforth the role of the HR Department is going to be very crucial.

The researcher has identified certain key areas which should be addressed by the HR department in the immediate future.

1. **Stress Management:** Day by day there is an ever increasing tension that the employees have to bear. Therefore while designing the new HR practice there should be an element which will ensure that the employees remain tension free. For this purpose the organization will have to organize specific courses on stress management on a continuing basis.
2. **Focus on Health care:** The fall out of mounting tension is the deterioration in health of the employees. There are several studies which have brought out the fact that the number of youth suffering from Diabetes, Blood pressure, depression etc. are increasing. Therefore, the HR department should focus on the regular health check up of its workforce at periodical interval. Now there are some multinational organizations which have in their every building an ambulance, on each floor there is a wheel chair, stretcher, first aid boxes etc.
3. **Focus on personality development:** The HR department should include in their training schedules programmes which will help in the overall personality development of the employees.
4. **Family support:** Now a day it has been observed that because of the spread of technology particularly internet, mobile phones, etc. even after returning from the office, the employee has to devote major time to the office work. In order to maintain the standard of living usually the better half are also employed. Therefore, the employee finds very little time to attend to his personal domestic work. Because of the split families there is no one to look after the kids. Therefore, this aspect also adds to employee's stress. Therefore, while introducing any new Best HR practices this aspect should also be borne in mind. Apart from babysitting, crèches, for pregnant lady staff separate retiring rooms are required, for breast feeding separate arrangements are required, such facilities be introduced.
5. **Provision of special arrangement at worksite:** The employee finds very little time to attend to various personal works: for filing of income tax returns, for renewal of driving license, etc. the organizations can have a tie up with

these concerned departments and make special provision for on the house arrangements so that the employee gets relief.

6. **Job Rotation:** There should be a system of job rotation which enables the employee to acquire knowledge of other departments. The company also stand to benefit since the workers are qualified to perform a number of different jobs in the event of an emergency. Due to change in the job the employee also gets job satisfaction. Job rotation relieves monotony.

7. **Provide autonomy:** If certain amount of freedom is given to the employees to do their work in their own way it increases their job satisfaction. It has been proved that if the people are given freedom to take their own decisions they work hard and derive job satisfaction.

7.3 ATTAINMENT OF THE OBJECTIVES

The researcher started this research framing certain objectives which have been dealt in the chapter II on Research Methodology. Now at the end of this research when the researcher looks back, he feels that the objectives are fully achieved by this research. He has been able to analyze the Best HR Practices that are being observed in the identified industries for this study. After the opening of Indian economy since 1991 and with the entry of number of multinational companies in India number of new Best HR Practices have been introduced in India primarily with the twin objective to retain the talented employees as the MNCs were experiencing flight of talented employees as well as to ensure to maintain an edge in the competitive markets. The HR practices that are being followed by the industries have a positive impact on the employee satisfaction which ultimately reflects on the employee's productivity and the organization's profitability. Each industry has its own peculiarity which needs to be taken into account while introducing best HR Practices. E.g. Work from home facility cannot be considered by the manufacturing industries. It is possible only in Information Technology industry or to make a generalization by the service industry. Introduction of the Best HR Practices is also dependent several other factors like size of the company, organization's culture, profitability, composition of the staff etc. Thus at the end the researcher is of the view that the objectives originally set out have been fully achieved.

7.4 SCOPE FOR FURTHER RESEARCH

As has been stated in the introduction chapter that the concept of the HR Practices is not a static one, but it is a dynamic concept. Day in and day out the work situations are changing fast and therefore the Human Resources Development Department has to be on its toes all the time to innovate new HR Practices on continuing basis, which will induce the talented employees to continue with the organization and to give maximum returns to the organization.

This research has revealed that there is a difference in the working of the Human Resources Development Departments of the domestic companies and the multinational companies. Therefore, a research can be undertaken to bring out this difference in the approach between these two segments which will be helpful for the domestic companies to improve upon their functioning and ultimately withstand the fierce competition that has been faced as a result of globalization.

In times to come there is going to be a serious problem of retaining the talented employees as the business opportunities in the underdeveloped companies are growing fast. There is a need to collaborate loyalty among employees. Hence a research is also possible to study this problem and to come out with some practical solutions.

As has been stated earlier that the process of attrition of the employees started on a large scale began after five years of India's adoption of globalization in 1991. This is adversely affecting the industries profitability. Therefore the researcher is of the view that a research study can be undertaken to find out the impact of HR practices on the employees' attrition rate.

7.5 CONCLUSION

The Indian economy was forced to adopt a structural change process at the beginning of 1991. Liberalization initiated the process of the opening up of an otherwise closed economy of India and created a hyper-competitive environment. A hyper-competitive business environment presented a number of challenges and opportunities, both external and internal. External challenges and uncertainties

included barriers that were difficult to control. Internal challenges like dramatic advances in technology, changing of organizational forms necessitated redesigning of human resource practices. To respond to this confusion, Indian organizations adopted innovative changes in their HRM practices.

India itself is not a homogenous entity. Regional variations in terms of industry size, business culture, socio-cultural issues and bureaucracy play very important role. The nature of hierarchy, status, authority, responsibility and similar other concepts vary widely across the nation.

This research study was undertaken to find out the impact of the best HR practices on the employees satisfaction and accordingly the primary data was collected and analyzed. It has been revealed that the Best HR practices have a positive impact on the employees' satisfaction. Today the HR Departments are passing through a transition stage and getting equipped with sharpening the tools of retaining the talent in the organization.

While studying the Best HR practices it has been observed that the Best HR practices followed by multinational companies cannot be copied in toto as those are based on the environment prevailing in their Head Quarter country. In the Indian context those practices are required to be suitably modified to suit the Indian environment. Implementation of best HR practices also involved costs and therefore the Indian companies are required to balance the cost and the benefit that they derive. It can be said that HR practices that are being followed in India are subjective in nature. These practices differ from company to company, based on location of the units, nature of production/services etc. Therefore, HR practice which is considered as best HR practice for one company may not be so for another company. This needs to be understood correctly before its implementation.

To conclude that it can be said that HR practice is becoming more and more challenging day by day. They have to face lot of problems like retention, attraction of employee, dealing with different cultural people, managing work force diversity, technological and informational changes to overcome with these challenges training (Cross cultural training and technological and informational training) is necessary for

HR people. To reduce mobility of professional personnel, HR people have to motivate them from monetary and non monetary techniques. Proper performance evaluation system and proper career development plans should be used in the organization to reduce professional mobility.

The end result of best HR practices is achievement of employee satisfaction that is positive feeling which gives happiness, joy and delightfulness to an employee and builds confidence in his or her personality. Satisfaction also helps in developing loyalty among the employees towards their organization.

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ANNEXURE

1	Name						
2	Age	21 to 30 yrs	31 to 40 yrs	41 to 50 yrs	51 to 60 yrs	3 Gender : Male Female	
4	Marital Status:	Married		Unmarried			
5	Contact No.						
6	Name of the Company						
7	Employee's classification						
	Senior Management cadre	Middle Management cadre			Jr. Management Cadre		
8	Educational Qualification	1	2	3	4	5	
		Post Graduation	Professional qualification (M.B.A. / C.A. /C.S. / M.C.M./ M.C.A., etc.)				
9	Working Experience	1	1 to 10 yrs	2	11 to 20yrs	3 .20 yrs. & above	
10	Current Monthly Salary	Up to 40,000 Rs	40,001 to 60,000 Rs	60,001 to 80,000Rs	80,001 to 1,00,000 Rs	Over Rs.1,00,000	

ANNEXURE - I

Questionnaire For employees of Large Scale Industrial Units in Pimpri-Chinchwad area

Please put ✓ mark at the appropriate answer

I. Job Satisfaction: (H-1) (H-2)

Please Kindly put tick mark ✓ in 5 point scale		1	2	3	4	5
Statements		Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
A	MANAGEMENT SUPPORT					
1	Management sympathetically listen to me					
2	Management appreciate my academic knowledge					
3	I have cordial relationship with management					
4	Management provides me with adequate medical facilities					
5	I have informal communication with management					
6	Management welcomes suggestions for improvements in the systems and procedures					
7	Management involves me in decision making process.					
B	WORKING ENVIORNMENT					
1	The overall working condition in my department is satisfactory					
2	The sitting arrangements are quite comfortable.					
3	The office environment is quite healthy.					
4	Organization has proper mechanism for maintaining discipline for the faculty					
5	The organization has rest room facility					
6	The organization has proper drinking water facility					
C	JOB RELATED ASPECTS					
1	I love my job					
2	I am happy with leave rules of my company					
3	I do not feel like giving of this job and taking of some other job					
4	I feel that I have job involvement					
5	I think that I have selected the right job for my self					
6	My company has excellent training arrangements and gives extensive training.					

	<u>Please Kindly put tick mark ✓ in 5 point scale</u>	1	2	3	4	5
	Statements	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
7	In our organization the attrition rate is less.					
8	The quality of our product / service has improved a lot.					
9	The rejection rate is almost 0%					
10	The employer employee relations are very cordial					
D	MOTIVATIONAL ASPECTS					
1	I feel that my boss helps me to achieve the organizational goal.					
2	My Management motivates me to increase my efficiency.					
3	Communication seems good within this organization.					
4	Work assignments are explained clearly					
5	Management takes interest in my suggestions					
6	My colleagues are very helpful					
7	My job has scope for promotions in time					
8	My company sponsors me for various professional training programmes organized by renowned Training Organizations.					
9	My work provides opportunity to display my talent and skills					
E	PERCEPTION ABOUT BEST HR PRACTICES					
1	Our HR Department pursues innovative ideas and excellent HR practices.					
2	In our company there is a house bulletin.					
3	Our company allows flexi office timings in case of need.					
4	For back office employees the company allows work from home if needed.					
5	In our company there is a cafeteria /canteen which provide healthy food.					
6	We get subsidized food in the company.					
7	Employees birth days are celebrated in the office					
8	Employees' kids showing excellent academic performance are felicitated by the company every year.					
9	There is a precisely defined and fully transparent rewards and recognition scheme.					

	Please Kindly put tick mark ✓ in 5 point scale	1	2	3	4	5
	Statements	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
10	Our company has tie up with NGO and we get an opportunity to participate in social service.					
11	Introduction of best HR practices is an ongoing process in our company					

III. ORGANIZATIONAL CULTURE (H-4)

		1	2	3	4	5
	Statements	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
1	I willingly give my time to help others who have work-related problems.					
2	Information is widely shared so that everyone can get the information.					
3	I keep up with developments in the institution					
4	Cooperation across different departments of the institution is actively encouraged.					
5	I view failure as an opportunity for learning and improvement.					
6	I believe that facilities can have a positive impact.					
7	I always respect other's views/opinions.					
8	Our company really cares about employees benefits.					
9	I always express loyalty towards the organization.					
10	I feel pride when representing the organization in public.					
11	Authority is delegated so that faculties can act on their own.					
12	My department can always provide quick response to the requests from other departments/other employees.					
13	My Head of the Department is available to me when needed.					
14	There is continuous investment in the skills of employees.					
15	I offer ideas to improve the functioning of the organization.					

		1	2	3	4	5
	Statements	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
16	In our organization, team work occurs among individuals and between departments when necessary.					
17	Our company provides comprehensive training to its employees.					
18	In our organization, there are proper policies and procedures to help us to serve students in a better way.					
19	Our company has systems to measure gaps between current and expected performance.					
20	New and improved ways to do work are continually adopted.					

II. BEST HR PRACTICES & ATTRITION RATE (H-3) (O-1, 2 and 3)

A) Please mention 5 best HR practices (in order of importance) from the following best practices data bank, followed by your company which you value most?

1.	Compensation
2.	Comprehensive training facilities including deputation to reputed professional training organizations
3.	Due recognition and appreciation by the management (Publicize Good Performances /
4.	Fringe benefits (Executive perquisites like chauffeur driven car, petrol allowance, family holidays, etc.
5.	Job security
6.	Medical facilities for self and family
7.	Organization's work culture
8.	Organizational culture – comforts at work place (Safe, Healthy and Happy Workplace)
9.	Rich fringe benefits (leave travel concession/medical reimbursement, reimbursement of club fees/ housing loans on soft terms/ provision of residential accommodation /
10.	Scope for participation in strategic policy decisions
11.	Well chalked out career development plan. (Fair Evaluation System for Employees/)
12.	Well developed Authority responsibility relationship
13.	Work from home and flexi working hours

Sr. No.	Best HR Practice in the organization
1	
2	
3	
4	
5	

B) Name three best HR practices which you know and expect your company to introduce it in your company.

III. ATTRITION RATE

What is your perception about the attrition rate of your organization?

HIGH AVERAGE LOW

What is your perception about impact of Best HR practices on the attrition rate?

Attrition rate is arrested Has no relevance to best HR Practices

What is your assessment about the current attrition rate?

QUESTIONNAIRE FOR HEAD OF HR DEPT

Annexure II

Name of the Company: _____

Location: _____

Name of the Head of H. R. Dept. _____

Type of industry: Manufacturing / Service Industry

What are the products/services of the company: _____

Total number of staff: Top Management: _____ Middle Management _____,
Junior Management: _____ Workers: _____ Total _____ 31.3.2012

What are the **BEST HR** practices introduced in your esteemed organization in respect of the following? (In case you have a codified document, if permissible, a copy may be spared, if not, salient features of each aspect may please be furnished.)

1) Job Description: _____

2) Recruitment: _____

3) Compensation: _____

4) Training and Development: _____

5) Performance Appraisal: _____

- 6) Promotion and Reward: _____

- 7) Career Planning: _____
- 8) Gender Equity: _____
- 9) Reservation System: _____
- 10) Attrition rate of staff: _____

To what extent do HR practices influence employee performance/satisfaction?

Is there any positive change in HR practices after adoption of Reforms?

(Globalization, liberalization, privatization)

If your answer is affirmative please state in brief: _____

Do you have a recognized union in your organization? Yes / No

If the answer is affirmative how do you rate the industrial relations?

(Please put ✓ at appropriate rating)

Cordial Excellent Good Average

Does your organization have in house training facility? Yes No.

How the training needs are assessed _____

Other than the job training which are the other areas covered by the training programmes?

Does your organization conduct training programs on concepts like SIX SIGMAS, QUALITY CIRCLE etc.? Yes No.

Does your organization conduct Exit Interviews? Yes No

If the answer is affirmative, what action is taken on the feed back from such interviews? _____

Place: _____

Date: _____

(Signature of the respondent)
